It may seem incredible to you that responsible leaders of a great power should have come all the way to Paris merely for the purpose of wrecking the conference, thereby incurring worldwide condemnation of the Soviet Union and enhancing the sense of unity and purpose among not only the Western Powers represented there but also the North Atlantic Treaty Organization and free nations everywhere.

I believe the answer lies in a basic miscalculation in Mr. Khrushchev's and the Soviet's thinking.

Mr. Khrushchev undoubtedly hoped—and this explains his early arrival in Paris—to divide the allies and isolate the United States. He anticipated that the United States would refuse the demands he had set forth and that the conference would then collapse, with the United States bearing the responsibility for the rupture before world opinion.

His plans miscarried because our two allies stood solidly and loyally with the United States and refused to be parties to Mr. Khrushchev's scheme. The result, as the whole world knows, was that the position which Mr. Khrushchev brought to Paris resulted in the complete isolation of the Soviet Union rather than the United States and in placing the responsibility for the disruption of the conference squarely where it belongs—on his own shoulders.

This estimate of the reasons for Mr. Khrushchev's behavior is strongly supported by the attack which he made at his press conference on General de Gaulle and Prime Minister Macmillan for what he termed their lack of objectivity, lack of will, and subservience to the allied relationships—in other words, in plain English, for their solidarity with the United States, their loyalty to our common purpose, and their refusal to play the Soviet game.

IV. THE FUTURE

What conclusions should we draw for the future?

I believe the signs are that there has been as yet no radical alteration in Soviet policy, though we can expect the continuance of a propaganda effort designed to split off the United States from its allies. This conclusion is supported by Mr. Khrushchev's Paris statements, including those at his press conference. It is supported, somewhat more specifically and definitely, by the statements which he made in Berlin on his way home.

We must remember, however, that, given the nature of the Soviet state, the men who run it can meet in secret at any time and change existing policy without public debate or even foreshadowing any such change. It is for this reason that any statement about a phase of Soviet policy must be regarded as qualified, with no certainty that it will remain valid in the future.

Thus, though the world's hopes have been keenly disappointed by the fact that the summit conference was not held as planned, the signs so far are that the basic realities of the world situation have not been greatly changed. Whether this continues to be so depends, as I have indicated, on actions of the leading Communist countries.

Provisionally, however, I conclude that the implication for U.S. policy is that the main lines of our policy remain sound and should be continued. The lesson of Paris is that we should prosecute those lines with renewed effort. Proponents within the Communist bloc of an aggressive course must not be encouraged by signs of weakness on our part. Proponents of a peaceful course should be encouraged by our readiness to get on with outstanding international business in a sober and rational manner.

We must remain prepared to withstand aggressive pressures, not only in Berlin but also elsewhere. I trust that our evident readiness will deter such pressures.

Among the lessons of Paris, the most important for the free world including ourselves, it seems to me, is fresh realization of the dangers we face and consequent need for closing of ranks and moving ahead with our own and our allies' programs for strengthening the free world. We came back from Paris with a keener sense of what it means to have allies, and I am sure that our alliances will take new life from this experience.

At the same time I would stress equally the need to expand imaginatively and generously our collaboration with the newly developing countries.

On both accounts I hope the Congress will give wholehearted support to our mutual security programs as authorized by this committee, which are now more important than ever.

We must continue, as the President has said, to seek in a businesslike way to make progress on outstanding problems with the Soviet Union. We intend to go ahead with existing negotiations, to stand by our commitments, and to foster open communication and peaceful exchanges. Above all, we shall not cease from the most determined, patient, resourceful endeavor to find ways to bring the arms race under control and thus to meet the nuclear menace that hangs over mankind.

I believe in this period it is incumbent upon us, all of us, to keep a calm and steady gaze on the world scene and to avoid actions, statements, and attitudes which might tend unnecessarily to increase international tension. If such an increase is to occur, it should be clearly the fault of the Soviets and we should not do them the favor of providing pretext for action by them which would have this effect.

We should not define as hard or soft our attitude or policy toward the Soviet Union. To do so is not only to deflect our gaze from the grim reality that confronts us, but even more to plunge us inevitably into fruitless and damaging domestic recrimination. We must now, as in the future, maintain a vigilant, calm, and resolute posture and, insofar as it lies in our power to do so, be accurate in our estimates and effective in our actions.

I would close in expressing the hope that we will not become so fixed in preoccupation with the Soviet challenge as to lose sight of our own constructive purposes—which are larger and more important than merely resisting or reacting to external threats. We have our own vision of the future toward which we want to see the world evolve. We have our own programs for helping to bring that future about—for holding high the light of freedom, for sharing its message and rewards with emerging nations, for trying to create an international community in which the rule of law will replace the rule of force. It is to these programs that our talents and energies should be rededicated in the uncertain times that lie ahead.

SENATE

TUESDAY, MAY 31, 1960

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

Rev. Edward G. Latch, minister, Metropolitan Memorial Methodist Church, Washington, D.C., offered the following prayer:

Eternal God, our Father, who art the source of all our being and the companion of our way, without whom no one is noble in spirit or good at heart or strong of purpose, lift us into Thy presence, where for this moment we may be still and know that Thou art God.

In the quiet power of Thy spirit, help us to carry the responsibilities laid upon us this day and strengthen us, that we may now and always be loyal to the royal in ourselves and in all men. May we put first that which is first, and may we be channels through which truth, justice, and good will may flow into our Nation and into our world.

Spirit of God, descend upon our hearts;
Wean them from earth; through all their pulses move;
Stoop to our weakness, mighty as Thou art,
And make us love Thee as we ought to love.

In the spirit of Jesus Christ we pray. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, May 27, 1960, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 113. An act to prohibit the severance of service connection which has been in effect for 10 or more years, except under certain limited conditions;

H.R. 276. An act to amend section 3011 of title 38, United States Code, to establish a new effective date for payment of additional compensation for dependents;

H.R. 641. An act to amend title 38, United States Code, to make uniform the marriage date requirements for service-connected death benefits;

H.R. 1402. An act for the relief of Leandro Pastor, Jr., and Pedro Pastor;

H.R. 1463. An act for the relief of Johan Karel Christoph Schlichter;

H.R. 1519. An act for the relief of the legal guardian of Edward Peter Callas, a minor;

H.R. 3107. An act for the relief of Richard L. Nuth;

H.R. 3253. An act for the relief of Ida Magyar;

H.R. 3827. An act for the relief of Jan P. Wilczynski;

H.R. 4763. An act for the relief of Josette A. M. Stanton;

H.R. 7036. An act for the relief of William J. Barbiero;

H.R. 7502. An act to revise the determination of basic pay of certain deceased veterans in computing dependency and indemnity compensation payable by the Veterans' Administration;

H.R. 8217. An act for the relief of Orville J. Henke;

H.R. 8238. An act to authorize the Surgeon General of the Public Health Service to make a study and report to Congress, from the standpoint of the public health, of the discharge of substances into the atmosphere from the exhausts of motor vehicles;

H.R. 8798. An act for the relief of Romeo Gasparini;

H.R. 8806. An act for the relief of the Philadelphia General Hospital;

H.R. 9470. An act for the relief of E. W. Cornett, Sr., and E. W. Cornett, Jr.;

H.R. 9752. An act for the relief of K. J. McIver;

H.R. 9785. An act to provide for equitable adjustment of the insurance status of certain members of the Armed Forces;

H.R. 9788. An act to amend section 3104 of title 38, United States Code, to prohibit the furnishing of benefits under laws administered by the Veterans' Administration to any child on account of the death of more than one parent in the same parental line;

H.R. 9983. An act to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corp., and its subsidiaries to other Government departments;

H.R. 10703. An act to grant a waiver of national service life insurance premiums to certain veterans who became totally disabled in line of duty between the date of application and the effective date of their insurance;

H.R. 10898. An act to amend section 315 of title 38, United States Code, to provide additional compensation for seriously disabled veterans having four or more children;

H.R. 10947. An act for the relief of Aladar Szoboszlay;

H.R. 11190. An act for the relief of Cora V. March; and

H.R. 11405. An act to provide for the treatment of income from discharge of indebtedness of a railroad corporation in a receivership proceeding or in a proceeding under section 77 of the Bankruptcy Act commenced before January 1, 1960, and for other purposes.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Foreign Relations was authorized to meet during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Flood Control, Rivers, and Harbors, of the Committee on Public Works, was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move the Senate go into executive business, to consider the nomination on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Maj. Gen. Lionel Charles McGarr, U.S. Army, to be assigned to a position of importance and responsibility designated by the President, in the rank of lieutenant general, which was referred to the Committee on Armed Services.

The VICE PRESIDENT. If there be no reports of committees, the nomination on the Executive Calendar will be stated.

U.S. DISTRICT JUDGE

The Chief Clerk read the nomination of Oren R. Lewis, of Virginia, to be U.S. district judge for the eastern district of Virginia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

LEGISLATIVE PROGRAM

Mr. KUCHEL. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. KUCHEL. Can the acting majority leader indicate what will be the business of the Senate for today?

Mr. MANSFIELD. I shall say to the acting minority leader that the unfinished business is Calendar No. 1456, House bill 10087, to amend the Internal Revenue Code of 1954 to permit taxpayers to elect an overall limitation on foreign tax credit.

Thereafter, we shall take up Calendar No. 1417, House bill 7681, to enact provisions of Reorganization Plan No. 1 of 1959 with certain amendments; and thereafter we shall take up other proposed legislation which last week was enumerated by the majority leader to the Senate, and is set forth in the CONGRESSIONAL RECORD.

I would say that it is not the intention to have any yea-and-nay votes today. If there are to be any yea-and-nay votes, they will be put off until tomorrow; and that will be done with the concurrence of the majority leader.

Mr. KUCHEL. I thank the Senator from Montana.

Mr. GOLDWATER. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I yield.

Mr. GOLDWATER. Does the Senator from Montana contemplate the taking of any action today on the House-passed Federal aid to education bill?

Mr. MANSFIELD. No. I understand—from the newspapers only—that there have been unofficial meetings. But so far as I know, there have been no official meetings; and no action on that measure will be taken today in the Senate.

Mr. GOLDWATER. I asked the question for the reason that that measure certainly will require a yea-and-nay vote.

Mr. MANSFIELD. It will, indeed.

Mr. GOLDWATER. Furthermore, on the other side of the aisle there are Members who are very much interested in that measure—for example, in the proposal for Federal aid for the payment of the salaries of teachers. I think it very proper that they be here when a vote is taken; and I think one of them is out of the city today—and perhaps both of them are. In addition, Members on our side of the aisle are interested in that measure.

I wanted the assurance of the acting majority leader on that subject, so we would be able to go about our business, and would not have to pledge ourselves to the floor all day.

Mr. MANSFIELD. I am in full accord with the Senator's views; and insofar as it is possible to do so, proper and full notice will be given before action is taken respecting the measure to which he has referred.

Mr. GOLDWATER. I thank the Senator from Montana.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON COMMODITY CREDIT CORPORATION SALES POLICIES, ACTIVITIES, AND DISPOSITIONS

A letter from the Under Secretary of Agriculture, transmitting, pursuant to law, a report of the General Sales Manager, concerning the policies, activities, and developments, including all sales and disposals, with regard to each commodity which the Commodity Credit Corporation owns or which it is directed to support, for the month of February 1960 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON PERSONAL AND REAL PROPERTY RECEIVED BY STATE SURPLUS PROPERTY AGENCIES FOR DISTRIBUTION TO PUBLIC HEALTH AND EDUCATIONAL INSTITUTIONS AND CIVIL DEFENSE ORGANIZATIONS

A letter from the Acting Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on personal property received by State surplus property agencies for distribution to public health and educational institutions and civil defense organizations, and real property disposed of to public health and educational

institutions, for the period January 1 through March 31, 1960 (with an accompanying report); to the Committee on Government Operations.

REPORT ON ACTIVITIES AND TRANSACTIONS UNDER MERCHANT SHIP SALES ACT OF 1946

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report of the Maritime Administration on the activities and transactions under the Merchant Ship Sales Act of 1946, from January 1, 1960, through March 31, 1960 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT ON PROVISION OF AVIATION WAR-RISK INSURANCE

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the provision of aviation war-risk insurance, as of March 31, 1960 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

DOCUMENTATION OF CERTAIN VESSELS SOLD OR TRANSFERRED ABROAD

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to revise section 4166 of the Revised Statutes (46 U.S.C. 35) to permit documentation of vessels sold or transferred abroad (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT OF AWARD OF YOUNG AMERICAN MEDAL FOR BRAVERY

A letter from the Attorney General, reporting, pursuant to law, that two youths were found qualified to receive the Young American Medal for Bravery, for calendar year 1958; to the Committee on the Judiciary.

JOHN H. ESTERLINE AND CLAUDE L. WIMBERLY

A letter from the Acting Director, U.S. Information Agency, Washington, D.C., transmitting drafts of proposed legislation for the relief of John H. Esterline and Claude L. Wimberly (with accompanying papers); to the Committee on the Judiciary.

PETITION

The VICE PRESIDENT laid before the Senate a petition signed by James Fletcher, and sundry other members of the Anti-Communist League of Central New York, New Hartford, N.Y., praying for the adoption of a resolution to condemn the persecution of teen-agers in Hungary, which was referred to the Committee on Foreign Relations.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MOSS, from the Committee on Interior and Insular Affairs, with amendments:

H.R. 3375. An act to encourage and stimulate the production and conservation of coal in the United States through research and development by authorizing the Secretary of the Interior to contract for coal research, and for other purposes (Rept. No. 1494).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MANSFIELD (for Mr. CHAVEZ):

S. 3607. A bill to declare that the United States holds in trust for the Pueblos of Santa Ana, Zia, Jemez, San Felipe, Santo Domingo, Cochiti, Isleta, and San Ildefonso certain public domain lands; to the Committee on Interior and Insular Affairs.

By Mr. BEALL:

S. 3608. A bill to establish the Inland Navigation Commission; to authorize the provision and collection of fair and reasonable charges for use of inland waterway navigational improvements constructed, maintained, or operated with Federal funds; and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 3609. A bill for the relief of Earl H. Pendell; to the Committee on the Judiciary.

By Mr. LONG of Louisiana:

S. 3610. A bill to prescribe a national policy with respect to the acquisition and disposition of proprietary rights in scientific and technical information obtained and inventions made through the expenditure of public funds, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. LONG of Louisiana when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY (by request):

S. 3611. A bill to provide for the erection of Freedom Monument symbolizing the ideals of democracy, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SMATHERS:

S. 3612. A bill to provide for the importation of crude oil and propane gas in quantities sufficient to meet the requirements of small business organizations, and for other purposes; to the Committee on Finance.

MINERAL RIGHTS IN CERTAIN HOMESTEAD LANDS IN ALASKA—AMENDMENT

JUSTICE FOR ALASKA HOMESTEADERS

Mr. GRUENING. Mr. President, I submit, for appropriate reference, an amendment, intended to be proposed by me, to a bill I introduced during the last session of Congress for the purpose of providing an equitable solution to a serious problem facing a group of approximately 468 homesteaders in Alaska.

The bill I introduced, S. 1670, is proposed in order that the valiant homesteaders of the Kenai Peninsula of Alaska, who are making such a magnificent contribution to my State, may not lose their investments of money and labor in the cultivation of their homesteads.

Mr. President, the rest of the world can never comprehend the difficulties, the dangers and the obstacles faced by those who choose to homestead on public land in Alaska. In addition to the manifold handicaps of our native climate and the rigid requirements of the law which must be met in order to comply with the homestead regulations, our Alaska homesteaders have been confronted with complexities of bureaucratic red-tape of the Bureau of Land Management which have magnified their difficulties immeasurably.

The particular difficulty which S. 1670 would remedy is one which the homesteaders face as a result of a series of developments over which they have had no control at all. These people went to Alaska for the purpose of cultivating the land and making a living as farmers. They have worked incredibly hard to meet the legal requirements for clearing and cultivating the land and have, in most instances, met requirements for length of residence necessary to receive final patents. The only thing standing in their way is the discovery of oil on the Kenai Peninsula, which, while undoubtedly fortuitous for Alaska, has proved to be an enormous obstacle to homesteaders trying to obtain final patents. The law requires that, when patents are granted on homesteads found to be valuable for minerals, they may only be issued with a reservation to the Federal Government of subsurface mineral rights. We do not question the wisdom of this provision.

In the case of the Kenai homesteaders, however, this requirement of the law has resulted in an unforeseen hardship. In Alaska, oil was discovered long after the homesteaders whom S. 1670 would benefit had made their investments of money and capital and made considerable progress toward the achievement of their final patents.

The fact that their land might be valuable for oil and gas was not known at all by the homesteaders until the time they applied for final patents. In fact, the order of the Geological Survey which classified the entire Kenai Peninsula, as well as all other sedimentary lands in the United States as potentially valuable for oil and gas was never published, but rested unseen, almost unknown, and marked "not for public inspection" in the files of the Department of the Interior.

Now the requirement of the law that these homesteaders relinquish mineral rights means, in effect, that they are in jeopardy of losing their entire investment in their homesteads as a result of exploration and drilling activity of oil and gas lessees which has been undertaken and will surely increase. There is extensive testimony of the disastrous effects of this activity on Kenai homesteads now in the record of hearings which have been held on the bill in Alaska.

Thus, I am hopeful the Senate will soon have an opportunity to consider S. 1670 and that favorable action will be taken on it.

The amendment I propose is one which represents a refinement of the measure as introduced and is based on testimony at the hearings in Alaska to which I referred above.

Mr. President, I ask that this amendment be received, be appropriately referred, and be printed in the CONGRESSIONAL RECORD at this point in my remarks.

The VICE PRESIDENT. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD.

The amendment was referred to the Committee on Interior and Insular Affairs, as follows:

1. On page 1, line 11, strike the period, insert a comma in lieu thereof, and add the following: "in all cases where—

"(1) an entryman has made an investment of capital and labor exceeding $1,000 in value, such investment having been made for the purpose of compliance with the requirements of the Alaska Homestead Law of May 14, 1898 (30 Stat. 409, as amended); and,

"(2) the failure of such entryman to complete all of the requirements for final patent of the Alaska Homestead Law by July 28, 1957, was due to—

"(a) circumstances beyond the control of such entryman; or,

"(b) reliance upon erroneous information supplied to such entryman or his representatives by the Department of the Interior or by officials or agencies of such Department; or,

"(c) delay in submission of final proof where all requirements other than length of residence were met and the delay was occasioned solely by intent to complete residence requirements prior to submission; or,

"(d) the order of the Department of the Interior of March 30, 1956, suspending the disposition by lease or otherwise or the granting of any use of lands in fish and wildlife refuges; or,

"(3)(a) no report had been obtained from the Geological Survey prior to or at the time homestead entry was allowed with respect to whether the homestead entered might be valuable for oil or gas, or was oil or gas in character, or was prospectively valuable for gas or oil; or,

"(b) where the Geological Survey report obtained in connection with the entry on the homestead was that the land was not prospectively valuable for gas or oil.

"SEC. 2. In all cases requiring a determination as to whether homestead lands might have been found to be valuable for oil or gas or were oil and gas in character or were prospectively valuable for gas or oil, such determinations shall be established with respect to the specific homestead in question and the burden of proof shall be upon the United States, notwithstanding contrary provisions of law or regulations of the Department of the Interior.

"SEC. 3. The Secretary of the Interior shall issue regulations and procedures for the adjudication of claims to mineral rights by homestead entrymen pursuant to provisions of this Act; *Provided*, That such regulations and procedures shall require a hearing upon the claims presented and such hearings shall be conducted in accordance with provisions of the Administrative Procedures Act (Act of June 11, 1946, 60 Stat. 241)."

2. Renumber section 2 on page 2 as section 4.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1961—AMENDMENTS

TO KEEP THE FEDERAL GOVERNMENT FROM COMPETING WITH PRIVATE ENTERPRISE

Mr. GRUENING. Mr. President, I submit, for appropriate reference, two amendments which I intend to propose to the Appropriation Act for the Department of Defense for 1961.

The purpose of both of these amendments is to protect the interests of the Department of Defense, of the taxpayers, and of those taxpayers, most particularly the small businessmen, of the Nation.

My first amendment, in which my colleague, the senior Senator from Alaska, Senator BARTLETT, and the senior Senator from Maryland, Senator BUTLER, have joined me as cosponsors, is directed toward the objective of terminating an activity of the Air Force which results in unjustified competition with commercial producers of liquid oxygen. Some time ago, my attention, and that of other Members of the Senate, was called to a proposal of the Air Force to construct some 70 liquid oxygen production plants at bases in 23 States of the Union where commercial supplies are available from private business enterprises. The cost of the Air Force program has been estimated to be about $8 million. The effect on private suppliers of liquid oxygen would be the deprivation of a market for their product which, in many cases, they have increased their productive capacity to supply at the urging of the same Department of the Air Force which now proposes to go into competition with them.

The Select Committee on Small Business of the Senate has recently held hearings on this matter under the able chairmanship of the senior Senator from Nevada, Senator BIBLE. As a result of this investigation Senator BIBLE has testified before the Senate Appropriations Committee that the amendment I propose is desirable and that the need of the Air Force for construction of the proposed onbase liquid oxygen plants has not been substantiated.

The amendment proposed by Senator BARTLETT, Senator BUTLER, and I would prohibit the expenditure of funds available to the Department of Defense for the operation, construction or acquisition of liquid oxygen production facilities unless certification is made by the Secretary of Defense that commercial supplies are not available at a reasonable price and in a reasonable quantity.

My second amendment to the defense appropriation bill cosponsored by Senator BARTLETT is one which is designed to clarify a provision included in the current appropriation measure which prohibits expenditure of defense funds for the construction, replacement or reactivation of bakeries, laundries, and drycleaning facilities where such facilities are available from commercial sources. My amendment would add to this prohibition a restriction against the operation of such establishments, as well as against their construction, replacement, or reactivation. I feel this is needed in order to insure that money required for defense is expended upon the defense of the Nation and not upon the baking of bread which, I regret to say, is now the case in Alaska as well, I imagine, as some other locations.

The VICE PRESIDENT. The amendments will be received, appropriately referred, and printed.

The amendments were referred to the Committee on Appropriations.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Excerpts of address delivered by him over radio station WGN, Chicago, Ill.

Excerpts of address delivered by him over radio station WIND, Chicago, Ill., May 29, 1960.

Excerpts of address delivered by him over Wisconsin radio stations on May 29, 1960.

By Mr. BRIDGES:

Editorial entitled "The Case Against Red China," published in the New York World-Telegram of April 23, 1960, together with an announcement dated April 21, 1960, of the appointment of Senator KEATING, of New York, to the steering committee of the Committee of One Million.

THE NEW ERA OF SOVIET CHALLENGE

Mr. KEATING. Mr. President, over the past weekend Marshal Malinovsky launched a Soviet rocket—a verbal rocket of warning against the free world. In essence, this was a more precise statement of the earlier Khrushchev threat that Russian rockets would smite the bases from which any American flights were launched over the Soviet Union. Because of its military source, the somber threat may be considered more pointed and more ominous than the emotionally charged warning of Khrushchev.

Without discounting completely the awesome possibility that this rocket-rattling might eventuate in rocket-firing, it appears clear that the warning is in keeping with the Soviet master strategy of driving a divisive wedge between the United States and our allies. The classic strategy of divide and conquer is as relevant today as it has been throughout history. Only by cracking the NATO shield, only by neutralizing the power complex the free world has erected in its self-defense, can the Soviet Union aspire to the realization of its avowed plan of world conquest.

In the face of these iron-hard realities, our mission and our responsibility remain clear. We must commit ourselves with renewed vigor to the strengthening of the shield of freedom. We must, in particular, continue to buttress our allies, both militarily and economically, so that the free world will present a massive, united, and unassailable counterforce against Communist aggressive probings and designs.

For our own part, the momentous events of the past few weeks may well suggest a fresh and intensive study of our total defense posture in terms of the new faces of threat and danger that have emerged on the world scene.

There is no question that a new element has been brought into play by the resurgence of Marshall Malinovsky as a powerful figure—perhaps a decisive figure—in the development and execution of Soviet policy. This resurgence of a military leader invites a new area of speculation. It suggests strongly the possibility that the era personified by Khrushchev is reaching an end, that the relatively soft line is being replaced by a hard line, that the smile is yielding to the fist. Malinovsky is now a shadow beside Khrushchev; but in the past we have learned how often, and how abruptly, a Soviet shadow becomes Soviet substance.

If this reorientation of policy is real, as it appears, we must have a concomitant reassessment of our own national policy vis-a-vis the actualities of the Soviet line. For one thing, there must be a heightened awareness of the fact that mutual security is not a charity program, but is a survival program, and that serious cuts would be blows to free world survival. The widespread

misconception over the nature and purposes of the program must be dispelled. Another vital and pressing need is to reexamine the structure of our defense capabilities, to make strength and vigilance our dominant preoccupation. In this regard, the entire question of the nature and scope of intelligence gathering activities should be reexamined in the light of past history and present requirements.

Above all, it appears to me that a sense of the gravity of the times and of the presence of the climate of danger must inspire us, as a government and as a people, to the fullest commitment of our thinking and our energies to the cause of our own defense and of that of the free world.

Mr. GOLDWATER. Mr. President, will the Senator from New York yield?

Mr. KEATING. I yield.

Mr. GOLDWATER. I am very much interested in the Senator's feeling that Mr. Khrushchev may be on his way out—inasmuch as many times since his outburst in Paris I have expressed the same conclusion.

I think—and if the Senator from New York does not agree, perhaps he will correct me—that Mr. Khrushchev, in Paris, spoke as a very frightened man and as a man who was fearful for his own life and for his future, because from the history of the Communist leadership we know that a Communist leader makes only one mistake. I believe his mistake was in telling the Russian people that the heartland of Russia could not be attacked by enemy aircraft, whereas for 4 years he knew that a very harmless craft was flying around at will over his land.

When the Senator from New York reached his conclusion, did he consider that aspect of the matter?

Mr. KEATING. I did; and I agree with the Senator from Arizona that Khrushchev did speak as a frightened man and as a harassed man. Anyone who witnessed his emotional outbursts would be bound to come to that conclusion, I believe.

I did not necessarily mean to indicate that Khrushchev personally is on his way out; but I think the era he has personified is on its way out, and perhaps the tail will go with the dog.

But I think we must face the fact that there is a likelihood of a very substantial change in Soviet policy.

Mr. GOLDWATER. I wanted to comment favorably on the Senator's remarks because they are long overdue in this body. There has been too much expression in the press, by some of our columnists, for example, that the United States should take a position of shame in this whole incident. My own feeling is that we have a great deal to be proud of. Even though it makes possible a tougher regime, as the Senator from New York has suggested, with a toughening up of ourselves, we may possibly get along better with a tough regime in Russia than by trying to get along with what some seem to think was a soft regime in Russia.

Mr. KEATING. I am convinced that there will be—and that need has been emphasized rather than minimized in the last few days—a continuation of a policy of firmness and strength, even firmer and stronger than there has been in the past.

Mr. GOLDWATER. I am happy to hear the Senator make that statement.

Mr. KEATING. I thank the distinguished Senator for his comments.

THE RESPONSIBILITIES OF OUR AGRICULTURAL LEADERS TO ASSIST THE UNDERDEVELOPED NATIONS OF THE WORLD

Mr. KEATING. Mr. President, a statement recently released by the agriculture committee of the National Planning Association emphasizes the need for our agricultural leaders to prepare themselves to assist in the vital task of aiding the emerging nations of the world. In the great global struggle for the allegiance and friendship of the so-called underdeveloped countries, American technical assistance and friendly offers of know-how are vital.

Because the daily effort to survive is so important in these nations and because agriculture forms such an integral part of their existence, it is particularly incumbent upon our farm educators and experts to be ready to lend a well-informed hand. To do this job properly, these leaders must have a proper grounding in farming methods and problems in these foreign lands.

It is my hope that this interesting and stimulating report will encourage the Department of Agriculture and our colleges to review their responsibilities in this area. As the New York Times points out in its editorial of May 30, the National Planning Association statement "deserves nationwide attention." I ask unanimous consent that this editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AGRICULTURAL FOREIGN AID

By all odds the most immediately important area in which the least developed countries need outside help is agriculture. More than half of the meager income of their people is said to go for farm products—to eat or wear—and an even greater proportion of the unpaid work they do to maintain their own subsistence. Primitive methods of production seem especially firmly rooted in farming and correspondingly hard to displace. Yet the returns from modern methods are both sensational and exceptionally visible.

All this lends special interest to the statement of the agriculture committee of the National Planning Association made public today. The committee maintains that this country hasn't nearly enough experts on foreign agriculture and that American agricultural colleges and the U.S. Department of Agriculture have a special obligation to provide more.

The committee believes that all agricultural college graduates should have at least some understanding of farming in foreign countries where methods, customs, and culture are far different from our own. More than that, the committee urges that the colleges and the Agriculture Department should make every effort to create a far larger reservoir than now exists of experts able to formulate and carry out programs to get acceptance of modern farm methods by people of underdeveloped lands. It is essential, too, the committee points out, that the professional and economic status of agricultural experts working in the foreign field should be at least equal to that of those at home.

The make-up of the committee lends special weight to its appraisal of the situation and to the proposals it makes. Its 25 members include leading figures in the field of agriculture—operational, academic and journalistic. Their statement deserves nationwide attention.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that further proceedings under the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Without objection, it is so ordered.

Is there further morning business? If not, morning business is concluded.

OVERALL LIMITATION ON FOREIGN TAX CREDIT

Mr. McCARTHY. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 10087) to amend the Internal Revenue Code of 1954 to permit taxpayers to elect an overall limitation on the foreign tax credit, which had been reported from the Committee on Finance, with amendments, on page 2, line 25, after the word "be", to strike out "revoked" and insert "revoked with the consent of the Secretary or his delegate with respect to any taxable year"; on page 3, after line 2, to strike out:

(A) with the consent of the Secretary or his delegate, with respect to any taxable year, or

(B) without the consent of the Secretary or his delegate, with respect to any taxable year following the fifth taxable year (whether or not the taxpayer chooses to have the benefits of this subpart with respect to each such year) to which the election applied.

In line 14, after the word "make", to strike out "an" and insert "a new"; in line 15, after the word "taxable", to strike out "year before its fifth taxable year (whether or not the taxpayer chooses to have the benefits of this subpart with respect to each such year) which begins after the taxable year with respect to which the revocation was made, unless the Secretary or his delegate consents to a new election for an earlier taxable year" and insert "year, unless the Secretary or his delegate consents to such new election"; on page 4, line 21, after the word "new", to strike out "subsection" and insert "subsections"; on page 5, in line 8, after the word "from", to insert "Per-Country Year to Overall Year or From"; in line 9, after the word "Year", to insert "No amount paid or accrued for any taxable year to which the limitation provided by

subsection (a)(1) applies shall (except for purposes of determining the number of taxable years which have elapsed) be deemed paid or accrued under subsection (d) in any taxable year to which the limitation provided by subsection (a)(2) applies"; after line 22, to strike out:

(3) FOREIGN TAXES CARRIED FROM PER-COUNTRY YEAR THROUGH AN OVERALL YEAR TO ANOTHER PER-COUNTRY YEAR. Any amount paid or accrued to any foreign country or possession of the United States for any taxable year to which the limitation provided by subsection (a)(1) applies, which (by reason of subsection (d)) may be carried (whether as a carryback or as a carryover) through one or more taxable years to which the limitation provided by subsection (a)(2) applies to another taxable year to which the limitation provided by subsection (a)(1) applies, shall (under regulations prescribed by the Secretary or his delegate) be properly adjusted for such intervening taxable year or years on the basis of the ratio which—

(A) the excess paid or accrued to such foreign country or possession for the taxable year from which carried, bears to

(B) the aggregate of the excesses for all foreign countries and possessions of the United States for the taxable year from which carried.

On page 6, after line 18, to insert:

(f) CROSS REFERENCE.—

For special rule relating to the application of the credit provided by section 901 in the case of affiliated groups which include Western Hemisphere trade corporations for years in which the limitation provided by subsection (a)(2) applies, see section 1503(d).

At the top of page 7, to insert a new section, as follows:

SEC. 2. Section 1503 of the Internal Revenue Code of 1954 (relating to computation and payment of tax in case of consolidated returns) is amended by adding at the end thereof the following new subsection:

"(d) SPECIAL RULE FOR APPLICATION OF FOREIGN TAX CREDIT WHEN OVERALL LIMITATION APPLIES.—If the affiliated group includes one or more Western Hemisphere trade corporations (as defined in section 921) for a taxable year to which the limitation provided by section 904(a)(2) (relating to overall limitation on foreign tax credit) applies, the amount of taxes paid or accrued to foreign countries and possessions of the United States by the Western Hemisphere trade corporation or corporations which is in excess of the amount of the tax computed under subsection (a) with respect to the consolidated taxable income attributable to such corporation or corporations (determined without regard to the credit provided by section 901) shall not be taken into account for purposes of section 901. The preceding sentence shall not apply to the extent that the amount of taxes paid or accrued to foreign countries and possessions of the United States by such corporation or corporations exceeds the amount of the tax which would be computed under subsection (a) with respect to the consolidated taxable income attributable to such corporation or corporations (determined without regard to the credit provided by section 901 and without regard to the increase of 2 percent provided in subsection (a)) if such corporation or corporations were not Western Hemisphere trade corporations."

On page 8, at the beginning of line 7, to change the section number from "2" to "3"; on page 9, at the beginning of line 6, to change the section number from "3" to "4", and in the same line, after the word "first", to strike out "section" and insert "section, section 2,"; in line 7, after the word "section", where it appears the third time, to strike out "2" and insert "3"; in line 10, after the word "section", to strike out "2" and insert "3"; in line 13, after the word "section", to strike out "2" and insert "3"; and, after line 14, to insert a new section, as follows:

SEC. 5. Notwithstanding any other law or rule of law, any amount received after December 31, 1949, and before the date of the enactment of this Act from a corporation which—

(1) was formed exclusively for the purpose of, and was engaged exclusively in, operating without profit a scientific laboratory for the Atomic Energy Commission, and

(2) operated solely on funds appropriated to the Atomic Energy Commission,

by an individual as reimbursement for moving himself and his immediate family, household goods, and personal effects to a new place of residence in order to accept employment with such corporation shall, for Federal income tax purposes, be treated as an amount which was not includible in the gross income of the individual, to the extent that such amount did not exceed the actual expenses paid or incurred by the individual for such purposes, unless the individual was advised, at the time of his employment, by an authorized officer, employee, or agent of such corporation that the amount of such reimbursement would be includible in gross income.

HEALTH SECURITY: AMERICA'S OBLIGATION TO ITS AGED

Mr. ENGLE. Mr. President, in 1935, when President Roosevelt signed the first social security bill, he said:

This law represents a cornerstone in a structure which is being built, but is by no means complete.

The senior citizens of this country will attest wholeheartedly to those words uttered 25 years ago. They will be backed up by the facts, figures, and stories that have been gathered together in a documented report by the Senate Subcommittee on Problems of the Aged and Aging. The disclosures brought out in this report add up incontrovertibly to the conclusion that our efforts to broaden the provisions of the social security law have lagged far behind our exploding economy and changing social conditions. The findings of the committee emphasize particularly that our greatest dereliction has been in our failure to take care of the medical needs of the Nation's most medically needy and least economically secure citizens—the 16 million men and women of 65 and over.

Originally the social security law was aimed more at unemployment than at helping the aged. When the law first went into effect in 1935 we had millions of jobless—and the law, with its limitation on earnings by its beneficiaries, was largely designed to drive older workers out of the labor market. Today the social security system has expanded to the point that nearly everyone in this country is directly or indirectly covered under it. By now it is clear that the American people must largely depend upon social security to end needless privation.

While the social security law has broadened its coverage considerably since 1935, the benefits under the law have remained relatively static. In no sense have they kept up with the economic, technological, and social changes that have taken place in our society.

For one thing, medical science has made spectacular strides in checking disease. From a life expectancy of 47 years at the turn of the century, our life expectancy today has jumped to 70 years. More of us are older today. In 1900, 3 million Americans were 65 or over. Today they number 16 million, and in 10 years that will swell to 20 million—7 million of whom will be 75 or over. Since 1900 our total population has doubled, but the number of men and women over 65 has quadrupled.

At the same time equally spectacular changes have taken place in the value of our dollar. Since 1935 the cost-of-living index as a whole has shot up 115 percent. Since 1949 food costs have risen 18 percent while medical costs have increased by 53 percent. In the last 10 years the cost of hospital care alone has nearly doubled.

How have our 16 million over-65's fared under these circumstances? The figures speak for themselves.

Over 60 percent of all persons over 65 have an income of $1,000 or less a year. The average income of single persons now retiring is $82 a month. For couples now retiring the average income is $123 a month—or $1,475 a year. According to testimony by Arthur S. Flemming, Secretary of Health, Education, and Welfare, an income of less than $2,560 for an elderly couple, on the basis of a low-cost food budget, is uncomfortably low.

Medical statistics show that aged persons require two and a half times more medical care than persons under 65. They show that the cost of medical care for the aged is approximately 80 percent higher than it is for the rest of the population. Many of our over-65's, after being covered by company hospitalization plans during their working years, discover that they are left naked of coverage when they retire. After retirement oldsters applying for private insurance find they are caught in the trap of having to pay sharply increased premiums for sharply reduced benefits. The ills of old age are a medical nightmare with inflation eating away at meager pensions. A single illness can wipe out the savings of a lifetime and leave a person dependent on the public dole. These problems not only affect the aged—they reach out and devastate the economic life of their children or other relatives who must assume the burden.

Dr. Russell Cecil, geriatrics authority at Cornell University, has said: "By checking infectious disease we have created old age." Today we stand at the crossroads. Congress has it in its power to choose the right road. If we accept our moral and economic responsibility to the aged, we can turn this medical advancement into a blessing. If we default we will find that scientific progress has created a veritable Frankenstein.

For a number of years Democrats have pressed for an expansion of the social security law to take care of the high medical costs of our aged—an unbearable

burden for so many Americans of over 65, and their families. In recent years these efforts have been translated into a sound and realistic plan by a man of great heart and great vision, Congressman AIME FORAND. Congressman FORAND'S plan involves no revolutionary change in our fiscal structure. It extends a principle that has had 25 years to prove its worth. It does not propose a program of medical handouts. It simply enlarges on a principle already used to provide retirement allowances so as to also provide for urgently needed medical care.

The Eisenhower administration has consistently resisted the efforts of the Democrats. Using as their battle cry "socialized medicine," the administration has been aided and abetted in its fight by such self-interest groups as the American Medical Association, the National Association of Manufacturers, and the U.S. Chamber of Commerce. Perhaps the American Medical Association can explain why in every referendum taken by the AMA under the auspices of various State medical associations, the thousands of physicians and surgeons participating expressed overwhelmingly their wish to be covered under social security. Yet the AMA continues to raise its righteous cry at all efforts to expand the provisions of the social security law permitting the aged to participate in a medical care program.

The Senate Subcommittee on Problems of the Aged and Aging filed its report in January. The report contained findings and recommendations based on hearings in seven major cities, numerous personal visits to nursing homes, hospitals, homes for the aged, and on extensive staff studies. The committee describes its project as "an enlightening experience and a sobering and humbling one." In a compelling statement on the plight of our aged, the report concludes that the "No. 1 problem of America's senior citizens is how to meet the costs of health care at a time when income is lowest and potential or actual disability at its highest."

On May 6 of this year Senator MCNAMARA introduced a bill to implement the recommendations of the committee for a balanced health plan that emphasizes prevention and rehabilitation.

The McNamara proposal is a broadened version of the Forand plan, both in terms of medical services and in terms of those covered under it. It provides for the automatic coverage of persons receiving social security benefits or old-age assistance payments. It also provides for the coverage of other retirees who meet certain income limitations. In short, the plan covers under a system of prepaid health insurance all retired aged—men over 65 and women over 62. Its broad range of medical services:

Emphasizes the importance of preventive medicine by providing for outpatient diagnostic services, including X-ray and laboratory tests to detect illness in its incipient stages.

Provides for 90 days of hospital care a year; or 180 days care in a skilled nursing home; or 240 days of care at home in a supervised home health program.

Provides for payment of a portion of the cost of very expensive drugs—a most important assist for the aged whose illnesses require extraordinary drugs.

Provides, furthermore, for research and demonstration programs to improve quality and efficiency of health care.

A study of the proposal reveals that it has not overlooked the need for safeguards aimed at preventing excessive use of hospitals and at encouraging less costly but effective treatment in nursing homes or patients' own homes.

Here is the long overdue answer to the health dilemma of our aging and aged. The proposal has breadth and vision. Yet it is fiscally sound, realistic, and workable. Like the Forand plan, it would operate through our system of social security. Health coverage for those eligible for OASI benefits would be financed by simply increasing present payments by employers and employees by an additional one-fourth of 1 percent. Cost of covering the other retirees would be an estimated $370 million annually contributed from the Federal general revenue fund. However, since the Federal Government is now spending $238 million on a modified welfare medical program, only $132 million a year in new Federal funds from general revenue would be needed.

I believe that we have in the McNamara proposal a masterly translation of the thinking and efforts of Democrats over a period of years.

And now, where do the Republicans stand on the medical needs of our aged?

As recently as April of this year President Eisenhower said that compulsory health insurance along the lines of the Forand bill was "a very definite step in socialized medicine," and "I do not want any of it." But thanks to the exigencies of an election year the President and his administration have suddenly begun to beat their breasts in behalf of our Nation's oldsters. Whatever the motivations of these Johnny-come-lately overtures, if it helps to get a medical-care program on the road for our senior citizens so much to the good. Despite the obvious flaws in the administration plan announced on May 4, we Democrats welcome this first Republican recognition that our growing numbers of aged people are caught in a medical-care predicament. Nevertheless, we cannot repress the question—"Where will the Republicans stand on health aid for the aging when the election-year jitters are over?"

In its plan the administration rejects the sound principle of small premium payments during work life leading to a paid-up medical policy on retirement. It persists in labeling this principle "socialistic." Yet its own proposal is far more susceptible to this charge. The Forand-McNamara proposals call for an expansion of the well-established and proven social security system to provide for the payment of medical bills. The administration's proposal, on the other hand, would put State governments in the business of selling insurance to the public at large. It would in effect be subsidizing private insurance carriers to permit them to provide health insurance benefits to aged persons at less than true cost. Moreover, the State governments would have control over such aspects of the practice of medicine as the fixing of doctor's fees. If the administration is correct in opposing medical aid through the social security approach, then our entire social security system is evil. Significantly, the arguments used today against prepaid health benefits for our aged citizens are no different than those used against social security retirement benefits 25 years ago.

I earnestly hope that the American public will not be taken in by the extravagant promises that have suddenly come out of the administration woodwork. A number of responsible organizations and eminent editors around the country have, I am glad to see, lost no time in exposing the plan. All of them agree that the proposal is fallacious in many respects.

It is, first of all, fiscally unsound and administratively cumbersome. It is a clumsy, hybrid arrangement, involving overwhelming administrative difficulties and excessive costs. Before anyone would receive health benefits under the proposal, the State legislature must pass the necessary authorizing laws and appropriate the necessary funds. Many States are financially impoverished and it will be necessary to finance the plan through an increase in taxes. Just imagine the fiscal and legal roadblocks that will have to be hurdled before all 50 States take the required actions. And we must not underestimate the power of self-interest groups in their attempts to keep the State legislatures from implementing the plan. I am sure I do not have to point out that many, many months will be lost in the process of getting all this legislation off the ground. After that there will still be the matter of setting up the complicated administrative machinery to check the incomes of millions of beneficiaries, initially and as incomes change, to determine eligibility.

Compare this fantastic waste of time, money, and effort with the relative simplicity and ease with which the social security system can absorb the health program under the McNamara proposal.

The administration plan would not, in fact, give the low-income aged the real help they need. Four-fifths of the over-65's have incomes of less than $2,000 a year. The plan provides that out of this they must pay $24 a year in premiums plus $250 out-of-pocket medical expenses before they can receive any benefits at all. In addition, they must pay $20 out of each $100 of medical expense above the $250. The financial barrier to seeking early preventive care would still remain. The plan, in effect, would be used most by those who need it least.

The proposal would open the door to the use of commercial insurance carriers. Certainly this, combined with the Federal-State administrative complexities, is bound to cut deeply into the medical dollar returned to individuals in the form of medical services.

Above all, the proposal does not make health benefits available to our oldsters as a matter of right. While it does not require a "means test" in the technical sense, it would require a yearly income test. Only those with incomes of less than $2,500—$3,800 for a couple—would qualify. Each elderly person would have to prove each year that his income was low enough to qualify him. This would result in mass injustices, aside from the indignities that would be imposed on our millions of senior citizens.

It is beyond my comprehension how anyone can honestly choose such a plan in preference to the Federal health insurance proposal that enables men and women to provide for their health needs in old age through prepayments during their working years. Under such a plan our oldsters will not have to suffer the affront of proving their poverty. Instead, they will in retirement be able to claim *medical care* as a matter of earned right.

There is only one sensible answer to the problem. It lies in the provision of health coverage through our system of social security. It lies, in short, in the McNamara proposal. Here is a plan that faces the realities and offers real help to the aged without depriving them of their dignity and self-respect.

For most of our oldsters the golden years are a *mockery*. For most of them it is a time of great harassment, a time of struggling to make monthly benefit checks keep up with the vicious inflationary spiral. It is a time of constant fear of being hit by illnesses they cannot afford to have. It would be morally and economically irresponsible on our part to delay any longer. We have the power to bring peace and contentment to our aged. I urge the Members of the 86th Congress to use it.

I observe that the Washington Post this morning publishes a very excellent editorial on the proposed McNamara bill, to which I have addressed myself. In part, the editorial says:

In short, this bill addresses itself realistically to a real and inescapable problem. It is certainly not a perfect bill. It deserves criticism in terms of its coverage and its financing. That criticism will be useful, we think, exactly in proportion to its avoidance of doctrinaire references to socialism and socialized medicine. Medical aid to the elderly is no more socialistic than any other social welfare measure; and it is no more socialistic—and no less voluntary—to finance such a measure by a social security tax than by an income tax, a sales tax, or an excise tax. Moreover, it is no more likely to socialize the medical profession than Federal provision of polio vaccine for children.

Mr. President, I ask unanimous consent that the editorial may be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 31, 1960]

A HAND FOR AESCULAPIUS

Senator PAT MCNAMARA and 19 cosponsors have introduced the latest in a series of bills for medical aid to the elderly which testify to the tremendous current political vitality of this subject. Basically like the Forand bill in that it would be an appendage to the Social Security Act, it meets much of the criticism leveled at that measure by expanding its coverage and its benefits. The bill reflects the careful hearings conducted by Senator McNamara's Subcommittee on Problems of the Aged and Aging and comes closer, we think, than anything yet proposed to providing effective protection against the catastrophic and terminal illnesses of old age.

The McNamara bill would furnish insurance protection through social security taxation for all those eligible for social security benefits; but in addition it would provide, through an annual Federal contribution, for coverage of 1.7 million old-age assistance recipients and 1.8 million other retired persons. Altogether, therefore, its benefits would extend to nearly 15 million of the 16 million Americans 65 years of age and over. The total estimated annual cost would be $1.5 billion dollars to be financed for the most part by increasing the social security tax one-fourth of 1 percent for employers and employees; an additional $130 million a year out of Federal general revenue funds would probably suffice to take care of the rest of the coverage. This contrasts, incidentally, with an annual appropriation (and charge against the budget) of $1.2 billion required by the administration bill.

Senator MCNAMARA'S proposal places great stress on the provision of diagnostic and preventive medical services for elderly persons, sensibly seeking by this means to avert needless illness. One of the very grave defects of the administration plan for health care of the aged in our judgment is its insistence that beneficiaries bear the first $250 of medical costs themselves. This might well keep retired persons from obtaining diagnostic and preventive services when they could be most effective in averting more serious sickness. The McNamara approach seems more sensible as well as more humane.

One important shortcoming of the McNamara bill is its failure to provide surgical benefits or coverage for physician visits in the home. But perhaps this is offset in considerable degree by its provision of nursing home care, home health services, and partial payment of the cost of expensive drugs. These would help to minimize excessive use of scarce hospital facilities and they undoubtedly account for a very large part of the costs of medical care in old age.

In short, this bill addresses itself realistically to a real and inescapable problem. It is certainly not a perfect bill. It deserves criticism in terms of its coverage and its financing. That criticism will be useful, we think, exactly in proportion to its avoidance of doctrinaire references to socialism and socialized medicine. Medical aid to the elderly is no more socialistic than any other social welfare measure; and it is no more socialistic—and no less voluntary—to finance such a measure by a social security tax than by an income tax, a sales tax, or an excise tax. Moreover, it is no more likely to socialize the medical profession than Federal provision of polio vaccine for children.

Mr. ENGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LOWER RETIREMENT AGE FOR SOCIAL SECURITY BENEFICIARIES

Mr. BYRD of West Virginia. Mr. President, one of my first acts when I came to Congress was to introduce a bill which would lower the retirement age for all social security beneficiaries from 65 to 60, and provide them with full benefits at that age. In remarks inserted in the CONGRESSIONAL RECORD on July 21, 1953, I urged that this proposal should be incorporated into any plans for changes in social security at that time for five reasons: First, because the inequities imposed by an arbitrary retirement age would be lessened; second, because industrialization has restricted the job opportunities for the older worker; third, because unemployment is a greater threat to older workers; fourth, because urban-industrialism has shortened the worklife of most Americans, making age 60 a more realistic retirement age than 65; and fifth, because average income begins to decline in the 55-through-64 age group. I concluded my amplification of these points with the statement:

Mr. Speaker, the foregoing reasons are ample, in my opinion, to provide the incentive for forthright action by the Members of this House in bringing to fruition legislation which will not only be beneficial to the older members of our society, but which will also be a step forward on the path of humanitarian progress.

Mr. President, I am more than ever convinced that these reasons are valid. I believe, moreover, that automation makes such a change even more urgent today. However, there is formidable opposition to the lowering of the age requirement to 60, but I do believe that the lowering of the age to 62 for men, as is the case with women, should be more acceptable to the opposition.

Fortunately, we do not share the philosophy of the Vikings, whose elderly persons were destined to end their lives when their years of so-called usefulness were over, but I fear that there is still a solecism in our attitude toward older persons. We must come to grips with this problem. There are thousands of men and women in this country who have reached the age of 60 who must wait several years before qualifying for social security benefits even though they are out of work. The women are given the option of accepting actuarially reduced benefits at age 62 or waiting for full benefits at age 65, but the men must wait until they reach 65. Five years, or 3 years, is a long time when your job is gone.

A great many people are being forced out of the labor market because of the progressive and inevitable development in our economy—automation. Often the older person is displaced from his job when it is too late for him to develop a new skill. Older workers find it difficult to adjust to a new type of work.

Ideally, we could improve employment possibilities so that the displaced worker could find other employment. This, however, holds little meaning for the worker who has reached the age of 62, because of job discrimination. Although this is denied, there is discrimination against the hiring of older workers, particularly those past the age of 50. Here is room for legitimate complaint. On the one hand, the older worker is told that he must wait until he is 65 before he can

receive social security benefits; yet, on the other hand, he is told that he is too old to be hired.

One logical answer to this perplexing situation is the lowering of the voluntary retirement age to 62.

Our social security system has grown. In 1950, and again in 1956, Congress recognized the need to improve the program. I believe we must continue to make those improvements which adjust to new and changing conditions.

Mr. President, we must recognize the results that automation will bring. Workers who have spent years developing a skill may see that skill become obsolete overnight. A machine—one machine—might put an entire production line of workers out of employment.

Professionals who have studied the problem have said over and over again that we must prepare for automation. Among their suggestions are a shorter work week, a raising of the age at which people enter the labor force, and a lower retirement age.

We hear often, from some of those who oppose any reduction in the retirement age, "it would cost too much." To counter their statement, the question may be asked: What does it cost to care for those who are unemployed throughout the country? Would not the reduced tax cost of welfare and unemployment compensation programs almost equalize the increased cost of lowering the age for retirement?

If the retirement age were reduced to 62 for both men and women, with both receiving full benefits at that age, the total increase would be approximately $2½ billion. There would be about 2 million persons eligible to retire if the age limit were reduced.

The cost to the employee, were he to be assessed the entire increased cost, would be four-fifths of 1 percent of the payroll. This is in addition to the 3 percent of payroll now paid by both the employee and employer. The self-employed worker would pay an additional three-fifths of 1 percent of the payroll. This, in addition to the 4½ percent of payroll he is now assessed. These figures are based on the level premium cost.

Mr. President, by lowering the eligibility age we will be acting in the spirit which has, in the past, demonstrated that ours is a dynamic social security plan which adapts itself to changing conditions. And we will also be demonstrating, once again, that a resourceful people, with faith in the future, can act humanely to overcome the problems which confront older citizens as a result of automation and technological progress.

I look to my State of West Virginia. Ten years ago 117,000 men earned their living in the mines. Today, 40,000 men in West Virginia can produce more coal. Automation is largely responsible, and it is here to stay.

The work force of America totals 70.7 million. Only 15.1 million workers are not included in the social security program. As progress whittles away at the work force—as machines take over the jobs of men—the problem of unemployment will grow.

I am reiterating the words of the professionals when I say the reduction of the retirement age is one way to alleviate a portion of the problem of automation.

We must attain a balance between job seekers and jobs available.

We must care for the older worker who will be "let out" as more machines are installed to do the jobs of men and women. We must provide for the unemployed older worker as the younger worker moves into the labor force.

We must recognize the contributions and sacrifices the older workers have made. Equally important, we must assure them that their later years will be ones of justly earned security.

SENATOR JOHNSON OF TEXAS VISITS WILMINGTON, DEL.

Mr. FREAR. Mr. President, last Thursday the distinguished majority leader of the Senate [Mr. JOHNSON of Texas] addressed a gathering of almost 1,600 Delaware citizens attending our annual Jefferson-Jackson Day banquet in Wilmington.

The message delivered by the majority leader was both a challenging and stimulating statement which provoked widespread interest and favorable comment.

Among the printed reactions to the Senator's appearance was an editorial published in the Journal-Every Evening on Friday, May 27, 1960. It is entitled "Senator JOHNSON'S Measure." I ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Journal-Every Evening, May 27, 1960]

SENATOR JOHNSON'S MEASURE

Senator LYNDON B. JOHNSON came to town yesterday, calm, cool, and collected as Gary Cooper looking down a gun barrel.

"This is one of those times that require the best that's in us," he told a press conference at the Hotel Du Pont. He urged Americans—Democrats and Republicans alike—to look forward, not backward, from the summit.

He saw a need for trying to find what caused the conference's failure. But he said the situation should be reviewed calmly and objectively. And he ruled out the kind of inquiry that searches for scapegoats in an atmosphere of political recrimination.

"There have been a great many negative reactions during the past few days," the Senate majority leader said. "It is time for a positive approach to our problems." And with that he outlined a program to pool world resources, through the United Nations, against such problems as hunger, drought, and disease.

At the same time, he ruled out appeasement or political surrender in future dealings with the Soviet Union and endorsed the President's open skies proposal wholeheartedly. All told, it was a statesmanlike performance.

How should Americans measure the leadership ability of the various candidates? Senator JOHNSON set these benchmarks—calmness, wisdom, and experience. And while he declined to make a formal announcement of his own candidacy, the Senate majority leader certainly made every effort to meet these standards. We'd say his success was impressive.

TWO TEMPLES

Mr. BYRD of West Virginia. Mr. President, the teacher makes the school. Forty years ago, a professor at Johns Hopkins University told his class of graduate students to go to the worst slums in Baltimore and pick out 200 boys between the ages of 12 and 16. The assignment was to look into the living conditions and attitudes of these youngsters and then to make a prediction about their future.

The students investigated as thoroughly as they could and consulted statistics. They came to the conclusion that most of the boys would be failures in life.

Twenty-five years later, the professor had retired and had been replaced by a younger man. In going through the files, the new professor came across the records of the survey, and he decided to carry it to a conclusion and find out how correct the study had been. So he put his students on the job.

After extensive searching, they found 180 of the original 200 boys. Only four had gone to the penitentiary.

Why was it that this group, which had been raised in the slums with everything against them, was able to achieve a record so much better than the average? The students continued asking questions and found that they kept getting the same answer: "Well, there was a teacher—." Further investigation revealed that in 75 percent of the cases it was the same teacher. They then went to the school board to learn that the teacher had retired and was living nearby. They plied her with questions about why she had such a strong influence on the boys, what she had taught them, and why they remembered her.

The teacher seemed puzzled and could not give any reasons for the splendid record these men had made as citizens. Finally, as the past flashed through her mind, she spoke as if thinking out loud: "I loved those boys."

Those few words answered all the questions. This story is a forceful reminder of the great influence for good which one teacher can exert.

A builder builded a temple,
He wrought it with grace and skill;
Pillars and groins and arches
All fashioned to work his will.
Men said, as they saw its beauty,
"It shall never know decay;
Great is thy skill, O builder.
Thy fame shall endure for aye."

A teacher builded a temple,
With loving and infinite care,
Planning each arch with patience,
Laying each stone with prayer.
None praised her unceasing efforts
None knew of her wondrous plan,
For the temple that she builded
Was unseen by the eyes of man.

Gone is the builder's temple,
Crumpled into the dust;
Low lies each stately pillar,
Food for consuming rust.
But the temple the teacher builded
Will last while the ages roll,
For that beautiful unseen temple
Is a child's immortal soul.

OVERALL LIMITATION ON FOREIGN TAX CREDIT

The Senate resumed the consideration of the bill (H.R. 10087) to amend the Internal Revenue Code of 1954 to permit taxpayers to elect an overall limitation on the foreign tax credit.

The PRESIDING OFFICER. The first committee amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 25, after the word "be", it is proposed to strike out "revoked" and insert in lieu thereof "revoked with the consent of the Secretary or his delegate with respect to any taxable year."

Mr. McCARTHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL PATENT POLICIES

Mr. LONG of Louisiana. Mr. President, on May 3 I delivered the first of two speeches on the patent policies of the departments and agencies of the Federal Government and the effect of these policies on our scientific achievement, on the rate of growth of our economy, and on the competitive, free enterprise system.

Two important points should be kept in mind at all times; and they are:

First, that during 1959 about $8 billion was spent by the Federal Government on research and development, with larger sums to be spent in the following years. In other words, 60 percent of all research and development performed by American industry in 1959 was paid for by the Federal Government. The percentage, of course, varied from industry to industry, ranging from 85 percent in the aircraft industry to only 4 percent in petroleum refining and extraction; and

Second, that defense research has resulted in the creation of new products and the accumulation of technology with highly profitable commercial applications.

I. EXTENT OF SMALL BUSINESS PARTICIPATION IN GOVERNMENT FINANCING OF RESEARCH AND DEVELOPMENT

In the fiscal year 1959, small business received only 3.5 percent of Defense Department contracts for research and development. This small share declined further in the first 5 months of the fiscal year 1960, to 2.3 percent.

In the fiscal year 1958, small business received 3.7 percent; in 1957, 4.3 percent. In 1956, small business received 5.9 percent of Defense Department research and development contracts, and less than 2 percent from the Atomic Energy Commission. These two agencies together accounted for 98 percent of the Federal research and development contracts awarded to private industry.

What we find, then, is a continuing decline from an already insignificant percentage, which many observers feel does not reflect the research and development capabilities of thousands of small-sized and medium-sized research companies.

This disproportionate share of total industrial research and development in the largest firms will almost inevitably result in the creation of monopolies or near monopolies in some industries, and a greater concentration of market power. The benefits derived from Government-financed research, in addition to the fee paid for doing the work, are exceedingly great, thus giving the contractor very important competitive advantages. Scientific capital in the form of technical know-how and byproducts of specific research projects are acquired wholly or in part at Government expense.

II. VALUE OF GOVERNMENT R. & D. TO INDUSTRY

A few statements by businessmen themselves reveal the value of Government research and development contracts in their commercial work:

First. Mr. A. E. Raymond, senior vice president of the Douglas Aircraft Co., Inc., says:

> Military experience in operation and design is very useful commercially because the military is pushing for performance primarily rather than safety. They try out new developments first, so commercial planes always derive some benefit from military designs.

Mr. Raymond was unable to estimate the amount his company saved through military-sponsored research in developing the DC–8, but stated that:

> If we hadn't had the military experience, we couldn't have built it at all.[1]

Second. A Raytheon manufacturing official stated:

> We always benefit from military R. & D. inasmuch as it permits us to maintain a large well-rounded scientific and engineering staff. From their research efforts, we derive a breadth and depth of technical knowledge that we would not be able to achieve solely from commercial R. & D.[2]

Raytheon's development of radar for the Navy during World War II, with the resulting growth of a staff skilled in radar principles, is probably a classic example of Government-sponsored research and development enhancing a company's profit capabilities. "Today, we are a leading producer of commercial ship radar, the basic know-how for which we gained from the Navy work," a Raytheon official says. The commercial work is in addition to the radar Raytheon turns out for the military, he added.[3]

Third. Companies also say that doing military-sponsored research often gets an earlier evaluation of how its work is going than it would if the research was aimed only for commercial markets.

> When competing in the commercial market, you often spend several years in the laboratory conceiving and developing a product, and then you take time to develop a market program and to test it, before you finally get around to putting the decision of your success up to the public. But when you're selling to the military, they're interested in technological improvements just over the horizon—the best brainwork to this point. The Government is able to provide an early evaluation of your R. & D. effort.

So says the executive vice president of Litton Industries, Inc., an electronics concern.[4]

The small companies are frequently the loudest in their praise of Government research and development. They say, according to the Wall Street Journal,[5] that with the aid of Government research money, they are able to investigate fields that would be too expensive for them to look into with just their own resources.

Fourth. "A company our size couldn't afford to be in this basic research if it weren't for Government contracts" according to Ralph F. Redemske, vice president of Servomechanisms, Inc.

Fifth. Another major advantage from Government research and development contracts is that the research contractor, more often than not, turns out to be the production contractor. Any business, big or small, learns how to make something new, advancing the state of the art, which very often leads to commercial or Government production contracts.

Working for the Government can be so profitable that the Aerojet-General Corp., solely on Government contracts, and within a period of 17 years, increased 40,000 times, from an initial investment of $7,500 to a present market value of $300 million,[6] with only modest additions of outside capital.

III. GOVERNMENT PATENT POLICIES

Perhaps the one most significant industrial advantage to be obtained from participation in Government-financed research and development lies in the acquisition of title to patent rights. The current policy of the Department of Defense, the largest spending agency of the Federal Government, is to require for itself only a nonexclusive, worldwide, irrevocable, royalty-free license under patented inventions developed through Government-financed research, leaving all commercial rights—that is, monopoly control—in the hands of the contractors themselves.

IV. EFFECTS OF RESEARCH

Research and development have become factors of great importance in our industrial production. No other kind of business activity has grown so rapidly as research and development in the last few years. A great many of the products and materials on the market today were unknown 10 or 15 years ago. An industrial firm, whether engaged in fabrication or in the supply of materials, must keep ahead of its competitors in terms of new or improved products or new processes if it is to survive. In many

---

[1] Wall Street Journal, June 10, 1959, and reprinted in CONGRESSIONAL RECORD, June 19, 1959.

[2] Ibid.

[3] Ibid.

[4] Ibid.

[5] Ibid.

[6] Hearings on patent policies of departments and agencies of the Federal Government, before the Monopoly Subcommittee of the Select Committee on Small Business, Dec. 8, 9, and 10, 1959, testimony of Emerson S. Reichard, Jr., director of contracts, Aerojet-General Corp., pp. 141–156.

industries the problem is not whether to engage in research and development, but, rather, how large should the effort be, for commercial research and development have become a prerequisite of business expansion. Research leads to new concepts, new products, new processes, new jobs, and even new industries.

Because of the very nature of research and development, however, results do not show up overnight. Some estimate that the average time lag from the start of research to a new product is 4 to 6 years. It is probably another 2 years before commercial production is feasible. This adds up to an overall period of, roughly, 7 years from the start of serious research until new developments make themselves felt in a company's output and revenues.

Research is still a new activity to many companies. On its present scale, research is new to almost everyone. Before 1950, very little—relative to present expenditures—was spent on industrial research. Then the outbreak of the Korean war brought substantial Government contracts for research in aviation, electronics, and related fields. The upsurge of research programs for civilian products, however, is of even more recent vintage, 1954 and later. In 1954 the Federal tax law was changed to allow business to deduct research outlays as a current business expense; hence the U.S. Government is in effect footing about half the bill in the case of medium-size or large companies, quite apart from Government funds involved.

The surge in research and development during the past 3 or 4 years will begin to pay off in significant sales of new products and outlays on new facilities sometime in the 1960's, and the continued rise in research and development now projected through the next 3 years points to an increasing impact on new product sales and plant expenditures on into the late 1960's.

In addition, an increasing number of larger companies are setting aside moderate amounts of their research budgets to conduct basic research, for they are finding that to keep ahead of their competitors, they must not only carry on a vigorous program of applied research and development, but must also support this program with basic research in relevant fields. Companies are also finding that in order to attract competent scientists it is necessary not only to meet going salary rates, but to allow the scientist to devote a portion of his time to undirected basic research.

The processes of research and development constitute the lifeblood of individual enterprises within an industry. The amount of industry research expenditures also determines to a large extent which industries will grow, and this depends upon the vigor and vision with which new frontiers of application and development are pushed outward. If an industry or firm is inclined to neglect the search for new materials and products and the applications thereof, it will very likely awaken to the imminent displacement of its stock in trade by some new and revolutionary development. A good example of this is the contrasting actions and experiences of the petroleum industry, on the one hand, and the coal industry, on the other. The former has pursued a vigorous research program; the latter has not.

This helps explain the efforts in recent years of representatives from coal-producing States to establish a national coal research institute, in the hope that this trend can be reversed.

V. STANDARDS OF JUDGMENT

In my previous speech, I suggested four criteria which should help us determine whether a particular patent policy can be judged to be desirable or undesirable.

(a) First, does the policy tend to accelerate the rate of scientific progress?

(b) Second, does the policy encourage economic growth?

Because our national survival depends on the rates of our scientific and economic progress, I have already examined patent policies in the light of the first two criteria.

My conclusions, Senators will recall, are these:

The present policies of the Department of Defense, the largest spending agency in the Government, result in a waste of scarce economic resources and tend to erect walls between scientists, preventing a free interchange of information. Given its present patent policies, the Defense Department's $6 billion of research and development contracts are actually incentives to industry to withhold scientific and technical knowledge. This retards both our scientific achievement and economic growth.

Today I would like to analyze these policies with Senators in the light of the following two criteria.

(c) Third, does the policy tend to promote and maintain a competitive society, or does it tend to promote monopoly, setting up a system of private control?

(d) Fourth, does the policy promote social and economic justice?

VI. PATENT POLICY AND A FREE ECONOMY

In order to test the various patent policies by our third standard, we must ask such questions as: Does it eliminate or lessen competition? Does it protect or discourage monopolistic influences? In other words, is it compatible with measures for the encouraging and safeguarding of our free economy?

Since 1890 this Nation has recognized the desirability of competition and has regarded it as an indispensable ingredient of a successful capitalistic system. Competition brings about lower prices and provides the greatest opportunities for those who have the most to offer. Monopoly, on the other hand, implies special privilege to limit production and to restrict entry into industries or occupations. It enables the possessor of this power to levy tribute upon the whole community.

To outlaw competition in order to force our consumers to pay more for their purchases, and to deny some of our citizens the opportunity of making their fullest contribution to the well-being of our society, is an evil.

Our main concern of legislation should be that of facilitating new enterprise and the multiplication of small and moderate sized firms.

Instead, what do we do?

In the words of one of our witnesses:

> Whatever their merits, it is undeniable that patent rights confer monopoly powers on the patentee. Patents enable their owners to restrict the use of inventions, thereby restricting the contributions to the national product that the patented inventions could make, in the hope that the resulting higher market price will make possible (monopoly) profits in excess of what could be earned under competitive conditions. To deny this feature of the patent system would be tantamount to denial of any usefulness of the patent system.[7]

It is indisputable that the policies of the Department of Defense, the National Science Foundation, and the Post Office Department, in giving away to private companies patent rights to inventions developed at Government expense, coupled with the fact that 95 percent of Government research and development funds go to the largest companies, tends to promote monopoly. This was the conclusion of the Attorney General of the United States in his report of November 8, 1956.

Given the present distribution of research facilities in industry, the granting of exclusive commercial rights to private firms doing Government-financed research is giving a major advantage to the larger firms. This further accelerates the pace of economic concentration.

On the other hand, the policies of the Atomic Energy Commission, the Department of Health, Education, and Welfare, and the Department of Agriculture, of taking title to inventions produced with public funds or dedicating them to the public, have just the opposite effect, for the following reasons:

First. They help remove at least one of the factors which make for economic concentration, namely, the accumulation of a large number of patents by a small group of industrial giants. Any deterrent to economic concentration or any step in the direction of the competitive ideals of our society tends to create the type of environment which is a necessary condition for the prosperity of small business.

Second. Small business does not have the research capabilities of the large corporations, which have facilities too expensive for the small company or the individual. The large company can explore certain technical frontiers not open to the small one, and frequently does so at Government expense. These benefits can be passed on to small business if the Government takes title to the patent. Provisions can also be made to allow small business to derive some benefits, even if a large company should get a license. Since the U.S. Government would take title to patents developed at Government expense, it could attach any qualifications to their use.

Third. More industrial fields will be open into which small business could enter. Extensive patent control by a large company can be used to shut small business out of attractive lines of business or to impose upon them a close control of their marketing activities. Patent

[7] Ibid., pp. 17–21.

licensing by large companies is often used to reduce small companies to enduring positions of technological and commercial subservience.[8] On the other hand, when a large company that owns patents, licenses another large one, it tends to take the form of a comprehensive exchange of patent rights and technical information through which both companies are strengthened. The present policy of the Defense Department of giving any title to large companies perpetuates this situation.

Fourth. One barrier to the entry of new—and particularly small—firms into an industry is found in the absolute cost advantages of established firms over entrant firms. An established firm may use the patent to keep out new firms altogether by denying the use of patents or can impose royalty charges for their use which raises the entrant's cost. This cannot happen if the Government owns the patent, and there is no reason to allow it to happen if the research on which the patent is based is paid for by the taxpayers.

Fifth. When large, established firms control various production techniques through patents, they are enabled to exclude the entrant from access to such techniques, or to assess a royalty for use that may be a disadvantage to the entrant. This deterrent to entry is more applicable to small than to large business because the latter generally can develop its own techniques through the use of its own generally large research facilities or can secure special patent privileges because it can offer some in return. Present patent policies accentuates this disadvantage to small business.

The effects of Department of Defense policies were clearly revealed by the testimony of two small business witnesses. The Hycon Manufacturing Co. developed a camera for the U.S. Government with public funds. A small dynamic company, through competitive bidding, won the right to produce a quantity of these cameras for the Government. Because the Hycon Co. had title to the camera and its parts, the small company had extreme difficulty in getting the necessary information to build it, even though the Government had paid the development costs. But this is not all. The Hycon Co. wanted a 7½-percent royalty from the small company on each camera made by it. The result was that the small company would have had to start off at a 7½-percent cost disadvantage from the very beginning. The small company refused to pay the royalty, but proceeded to manufacture the camera anyway, maintaining that since the public had paid to have the camera developed, the data was public property. So far, the small company has not been sued by Hycon.

The other case was that of the small businessman whose company overhauls and repairs instruments in aircraft. By giving the equipment manufacturers exclusive rights to Government-sponsored developments, the Government has undermined the ability of any other company to compete for the overhaul of aircraft instruments. For, by forcing the Government to disqualify all bidders other than the original manufacturer, owing to the inability of the other companies to obtain the necessary repair parts, components, or test equipment from the sole source of supply, the original company can name its own price and conditions. To be more specific, the witness stated that the General Electric Co. refused to sell replacement parts to his small Philadelphia company, thus putting the small firm at a great competitive disadvantage, even though the small firm was willing and able to do the work at a fraction of the price which General Electric was charging the Government.

Big firms have many tremendous advantages over small firms. They have the power that goes hand in hand with size. They have the manufacturing know-how. Is it fitting for the U.S. Government to add to the already great power of the huge giants to the detriment of their smaller competitors?

Let me take a specific example of a major defense contractor recently examined by the General Accounting Office.[9]

The contractor's employees, as a condition of employment, were required to assign to the contractor any inventions, developments, and discoveries made or conceived during the period of their employment.

In accordance with the armed services procurement regulations the contractor obtained the patent rights, with the Government receiving a nonexclusive, royalty-free license.

As of June 30, 1959, this contractor had filed applications for 95 patents. Out of this number, 11 applications were for inventions which the contractor himself characterized as primary inventions, that is, "developments believed to be sufficiently basic and important to provide a basis for a new industry or an entirely new product line; or one which may have a major effect on the expansion or conversion of an existing industry or product line."

Now, what does all this mean?

It means that the U.S. Government has spent public funds to give one private company the power to control whole industries—to exclude anyone it wants to; to charge any price it wants to.

This is not an isolated case.

The next step, to be consistent, is to repeal the antitrust laws.

For the U.S. Government to keep these laws on the books while giving away such monopolistic powers to private firms is sheer hypocrisy.

The Government is speaking out of both sides of its mouth. On the one hand it is favoring small business through the congressional small business committees, the Small Business Administration, set-aside programs, and other measures. On the other hand, the Government is doing its best through its patent policies to make the large firms larger and to force the smaller firms into a position of economic servitude. Tax concessions, set-asides, small business investment programs, although helpful to small business, do not meet the basic issue—that of bringing about a competitive environment in which the smaller firms are not unnecessarily penalized.

Incredible as it sounds, several agencies have provisions in their research and development contracts which can prevent the Government from using the very inventions which it pays to develop. The National Science Foundation and the Post Office Department, after giving away title to Government-sponsored inventions, merely take a "nonexclusive, nontransferable, and royalty-free license to practice by or for the U.S. Government throughout the world, each subject invention in the manufacture, use, and disposition according to law of any article or material, and in the use of any method." And now listen to what follows—this is a direct quote from a Post Office Department R. & D. contract—but, "no license granted herein shall convey any right to the Government to manufacture, have manufactured, or use any subject invention for the purpose of providing services or supplies to the general public in competition with the contractor or the contractor's commercial licensees in the licensed fields."

Now, Mr. President, what does this mean? The Railway Express Agency claims that it competes with the parcel post service of the Post Office Department, and has so testified before the Senate Post Office and Civil Service Committee. Under the provision, it can probably take the Post Office Department to court and block the Government from using those very machines for the benefit of taxpayers which the taxpayers paid to have developed. What is the function of the Post Office Department if not to provide services to the general public? How could it in good conscience have included such a condition in its contracts?

The case of the National Science Foundation is even worse from the point of view of the public interest because the Foundation deals with more basic inventions. The National Science Foundation signed a contract with a rather large company to do research in the problem of weather modification. This problem is of tremendous importance to many areas throughout the country—in fact, throughout the world. But what do we find in the contract? The same kind of a provision that the Government could not provide services to the general public in competition with the contractor or the contractor's commercial licensees. Now, to whom would the Government provide services if not to the public? A private firm in possession of exclusive commercial rights in this field could charge the public all the traffic will bear, even though the public paid the development costs. And the Government would be powerless to use the discoveries it

[8] "Barriers to New Competition," Joe S. Bain, pp. 144, 188f.

[9] Statement of Robert F. Keller, General Counsel, U.S. General Accounting Office, before the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, U.S. Senate.

sponsored and paid for. Why? Because the rights were given away from the very beginning.

Frequently we hear that big businesses do not need patents; that they can use other means to prosper and grow; that it is the small firms that need them.

An indication that big firms do not fall for their own propaganda is that they fight so violently to secure patent rights even when the Government pays for research. They have fought against Government antitrust suits with all their resources to prevent the opening up of their huge patent portfolios, as in the RCA, A.T. & T., IBM, and other cases.

But how about small businesses? Is it true that small business depends more on patents for protection than big business? Two of our small business witnesses testified to the contrary. A relatively small number of small businesses have prospered because of the special patent privileges granted by the Government and would possibly be injured by their removal. This is not a necessary result. Such possible losses, however, are not of major significance when compared to the great gains which would accrue to the small business community, to the economy as a whole, and, consequently, to the ultimate consumer if the Government adopted the policy of dedicating to the public what the public pays for. The small businessman, no longer dependent on patent protection, would have to go out and compete. There is no reason to believe that the small businessman would come out on the short end if he were not unnecessarily handicapped at the start.

For every small business inconvenienced by the necessity to compete more vigorously, as a result of a policy of dedicating to the public patents paid for by the public, scores of small businesses would benefit by the ability to enter new fields from which they had hitherto been excluded. As a result of the Eastman Kodak judgment, opening up the technology of color-film processing, for example, many new firms have come into existence. Where only one firm processed color film previously, there are now about 8 concerns processing Kodachrome and over 200 processing Kodacolor,[10] mostly small businesses, and offering strong competition to Eastman in many parts of the country. Similar examples can be found in many industries. The facts controvert any general statement that small business would suffer more than big business in a policy dedicating patent rights to the public. On the contrary, they have much more to gain.

We should remember that there is an important difference between protecting small business and protecting particular small business concerns that happen to have favored positions. Small business can survive only if we try to invigorate competition. If we allow the present Defense policy to continue, we are not really aiding small businessmen, we are merely helping individual groups of small businessmen, and we are actually killing the opportunity of our younger people to enter small business.

Keeping entry into industries wide open is the way to protect and nurture small business. The effect of the Department of Defense policy is to impede entry, thus forcing the rising generation to look for jobs in big business, instead of allowing them to take chances as the small businessmen of the future.

VI. PATENT POLICY, MORALITY, AND ETHICS

To judge Government patent policies by our fourth standard, we have to ask the following questions:

Is there any ethical and moral justification for the Government to give away the resource of scientific knowledge as well as property rights to it? Does the policy promote social and economic justice?

In my judgment, the answer is an emphatic "No."

First of all, the granting of patent privileges is justified only insofar as it serves as an incentive to take risks. The hope of securing monopoly profits is supposed to be the inducement for inventors to exert their inventive efforts or for corporations to risk their money on uncertainties connected wih expensive development and the building up of markets.

But where are the risks in Government-financed research and development contracts? There realy are none. Practically all R. & D. contracts let by Federal departments and agencies are on a cost-plus basis. No matter how expensive a project turns out to be the costs are covered by the Government. Not one cent comes from the pockets of the contractor. Moreover, there is no risk in finding a market for the new product. The market is there, waiting eagerly, in the form of the Federal department or agency for whom the research and development has been performed. The whole thing is virtually a riskless venture for the contractor. Even the possibility of contract cancellation cannot be considered a risk, for the firms have invested none of their own funds and are generally granted, in addition, a return well in excess of costs.

The whole incentive argument collapses completely. If there are no risks, there is no justification for a monopoly profit resulting from a patent.

To quote one of our witnesses:

> But since the patent rights are clearly not needed to serve as an inducement to invent and innovate, while they simultaneously impede the diffusion of technological knowledge uncovered at public expense, the granting of patent privileges to the contracting firms clearly gives society none of the alleged advantages of the patent system while foisting upon us one of its decisive disadvantages.
>
> In short, we are faced with the unconscionable situation in which the Federal Government taxes the citizens of this country to secure funds for scientific research, on the grounds that such research promotes the general welfare, and then turns the results of such research over to some private corporation on an exclusive, monopoly basis. This amounts to public taxation for private privilege, a policy that is clearly in violation of the basic tenets of any democracy. Such a violation might possibly be justified on the grounds that it leads to greater enhancement of the general welfare than adherence to a basic principle would; but in the present cases, no offsetting gains are in the offing. Under the circumstances, it seems palpably evident that new discoveries derived from research supported by public funds belong to the people and constitute a part of the public domain to which all citizens should have access on terms of equality.[11]

Let us examine these policies from another point of view, and we can see how really silly they are.

Our people, through their Government, support 60 percent of all industrial research. And then what do they do? They give away, again through their Government, the fruits of the research, for which they paid, to private firms, who, in turn, will make the public pay again. How? Through monopoly profits. Private firms are therefore put into a position where they can capture, through the market, a large part of the increased value of output resulting from the scientific research that the public has purchased.

Furthermore, Mr. President, the present patent policies of the Defense Department impose a double standard upon our national life. When one private firm pays another firm to develop something for it, the first firm expects and gets the rights for which it is paying.

This position is summarized by the Martin Co., an important contractor of the Defense Department, which stated that when Government funds are involved, its subcontractors are allowed to retain title to inventions, improvements, and discoveries.

On the other hand—

And I am now quoting—

> when the Martin Co.'s own funds are involved, title to inventions conceived or reduced to practice by subcontractors vests in the company.[12]

If this type of policy is good enough for these corporations, then why should it not be good enough for the U.S. Government? The management and board of directors of the Martin Co. or any other corporation represent the interests of and are responsible to the stockholders. Similarly, the U.S. Government represents—or at least should represent—the interests of the people of the United States, its stockholders, and is responsible to them.

When corporations that seek contracts to do research for the Government employ their own scientific and technical staffs, they require an ironclad contract to assure them that all patent rights will belong to the employers. In other words, when the scientist takes a job with a contractor, he agrees to turn over all proprietary rights resulting from his work to his employer.

Similarly, the Government would be neglectful of the national interest if it did not secure for all the people the valuable rights for which it pays.

---

[10] Secured in telephone conversation with Mr. Kilgore. Mr. Bicks in a speech stated 56 companies altogether.

[11] Hamberg, op. cit.

[12] Hearings on patent policies of departments and agencies of the Federal Government, before the Monopoly Subcommittee of the Select Committee on Small Business, Dec. 8, 9, and 10, 1959, p. 448.

We must remember that many of the basic goals of our country—maximum output, the highest rate of economic and scientific progress—are also among the most important goals of the Soviet Union.

It is true that in our country the output to be maximized is chosen chiefly by individual consumers. In the Soviet Union, on the other hand, the output to be maximized is chosen primarily by a central, dictatorial body. There is, thus, a difference in content. The goal is the same.

Where, when, do we differ from the Soviets? What makes our system different from theirs?

Our supreme goal is—or should be—the development of the individual, the creation for the individual of a maximum area of personal freedom and personal responsibility. Our concept of the humane, liberal society is one in which every individual should be encouraged and given every opportunity to make the most of himself. The self-reliant, responsible, creative citizen is the very foundation of democracy and of every institution that recognizes the dignity of man. This goal is our ultimate ethical value and this is the crucial difference between the Soviet system and ours.

Our problem, therefore, is that of continually trying to enlarge the individual's share in conducting his own life, and in this the policy of competition has played an important role. Competition tends to reduce limitations to individual freedom, challenges individual capabilities, and better proportions rewards to efforts.

Political liberty can survive only within an effectively competitive economic system. Yet our own Government has been undermining the vitality of competition through policies which serve to decrease the freedom and responsibility of individuals in many industries or those who wish to enter them.

The present patent policies of the Department of Defense, by giving away patent monopolies, aids in restricting the range of productive activities open to the individual and reduces the scope for individual freedom within an area.

If we do not revive our faith in the goal of individual freedom and responsibility; if we allow our competitive society to disintegrate; if we permit our economic life to be controlled by a relatively small number of giant corporations, then the Communist theory of history, that it is inevitable that communism will displace capitalism, may well become a reality.

SUMMARY AND RECOMMENDATIONS

Mr. President, the patent policies of the Defense Department, the National Science Foundation, and the Post Office Department are contrary to the public terest. They retard our scientific and economic progress. They bring about the monopolization of many important industries to the detriment of American consumers as well as many businessmen. For it is only in a genuine competitive environment that small business can flourish.

What is especially disturbing is the spirit behind these policies. Those very businessmen who demand Government handouts in the form of exclusive rights on inventions and discoveries paid out of public funds are generally those very people who object at the top of their voices when the Government wants to aid sectors of our society other than their own.

Those policies reflect also the callous disregard of the public interest by many contracting officials who are obviously feathering their nests.

It has been said that our country's influence is on the decline, because somewhere along the line we have become fat, smug, and spiritually anemic. Many businessmen do not want to undergo the rigors of competition. They demand that we give them patent monopolies and insulate them comfortably from competition.

This spiritual flabbiness could be as dangerous to the country's survival as our lag behind the Soviets. Other nations in the past have been wrecked by softness, self-seeking, and a decay of national ideals. We badly need people who are willing to work hard for something more than money, and whose ideals are neither those of the cynical individual nor those of the market place.

The problem of who gets the benefits of research and development paid for by the public is not a new problem. Powerful forces were arrayed against us when we were considering the disposition of rights in the Atomic Energy Act and in the National Aeronautics and Space Act.

Inventions resulting from Government contracts are the products of expenditures of public funds for the performance of a governmental function; the public has, through its representatives, ordered and paid for the invention. Why, then, should the public be taxed for its use, or be permitted to use it upon restrictive conditions advantageous to no one but the patent owner? There is no obligation on the part of the contractor to exploit the patent or to make the invention available for use by others; he may even suppress the invention, if that would best serve his economic interests, with the result that technological improvements financed with public funds would be denied to the public, to serve a private interest.

Scientific and technological research conducted or financed by the U.S. Government represents a vast national resource, rivaling in actual and potential value the public domain opened to settlement in the last century. Because the control of patent rights in inventions resulting from such activities means the control of the fruits of this resource, it is important to determine upon a national policy which will embrace the following objectives:

First. The policy should serve the public welfare, which would involve the most widespread use of the invention in the interests of the health, safety, and prosperity of the Nation.

Second. The policy should not discourage the making of new inventions, but on the contrary, should stimulate the progress of science and the useful arts.

Third. Such a policy should be consistent with our American system of free competitive enterprise.

At the request of President Franklin Delano Roosevelt in 1943, the Department of Justice undertook an investigation into the patent policies and practices of the several departments and agencies of the Government concerning inventions made by their employees and contractors.

This report, one of the most comprehensive ever made by the Government, was submitted in 1947 by Attorney General Tom Clark, with the following recommendations:

> Where patentable inventions are made in the course of performing a Government-financed contract for research and development, the public interest requires that all rights to such inventions be assigned to the Government and not left to the private ownership of the contractor. Public control will assure free and equal availability of the inventions to American industry and science; will eliminate any competitive advantage to the contractor chosen to perform the research work; will avoid undue concentration of economic power in the hands of a few large corporations; will tend to increase and diversify available research facilities within the United States to the advantage of the Government and of the national economy; and will thus strengthen our American system of free, competitive enterprise.[13]

In 1956, the then Attorney General, Herbert Brownell, warned that "present patent policy may well be one of the major factors tending to concentrate economic power."[14]

Mr. President, for many years I have felt that the problem of concentration in industry, and the price-raising power associated with it, is one of the most serious problems facing the American economy. Yet the Government itself, through policies like those of the Department of Defense, is accelerating this undesirable trend. If particular industries are able to achieve monopolistic prices for their products, the prices of many consumer goods will naturally be higher. A larger amount of purchasing power is thus extracted from consumers. Since consumers get less for more money, they are getting less goods in exchange for their own labor. In other words, these policies are helping to bring about lower real wages and salaries.

In my previous speech, I pointed out how $6 billion were being spent in ways which retard our national economic and scientific progress. I believe I have proved that these $6 billion are also an investment in creating monopolies rather than in breaking them.

Furthermore, this type of policy is an impediment to social and economic justice.

---

[13] U.S. Department of Justice, "Investigation of Government Patent Practices and Policies," report and recommendations of the Attorney General to the President, vol. 1, p. 4.

[14] Report of the Attorney General on research and development, pursuant to sec. 708(e) of the Defense Production Act of 1950, as amended, Nov. 9, 1956, p. 42.

I feel that a sensible policy for the results of Government-financed research should have as its aims:

First. The maintenance and strengthening of our free, competitive enterprise system by making the results of Government research open to all our citizens instead of just a favored few;

Second. The acceleration of our rate of economic and scientific growth by insuring the most rapid dissemination of new scientific and technical knowledge secured with Government funds;

Third. And the elimination of immoral and undemocratic practices, such as public taxation for private privilege.

Mr. President, to that end I am introducing a bill, which I now send to the desk for appropriate reference; and I request that the text thereof be published in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3610) to prescribe a national policy with respect to the acquisition and disposition of proprietary rights in scientific and technical information obtained and inventions made through the expenditure of public funds, and for other purposes, introduced by Mr. LONG of Louisiana, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Inventions Act."

DEFINITIONS

SEC. 2. As used in this Act—

(a) The term "executive agency" includes any executive or military department of the United States, any independent establishment in the executive branch of the Government, the Government Printing Office, the Library of Congress, and any wholly owned Government corporation.

(b) The term "agency head" means the head of any executive agency, except that (1) the Secretary of Defense shall be the agency head of the Department of Defense and of each military department thereof, and (2) in the case of any authority, commission, or other agency control over which is exercised by more than one individual such term means the body exercising such control.

(c) The term "contract" means any actual or proposed contract, agreement, understanding, or other arrangement between any executive agency and any other person for the acquisition of any property by or on behalf of any executive agency or for the rendition of any service for or on behalf of any executive agency, and includes any assignment, substitution of parties, or subcontract of any tier executed or entered into for or in connection with the performance of that contract.

(d) The term "person" includes any individual and any corporation, partnership, firm, association, institution, or other entity.

(e) The term "invention" means any invention, discovery, improvement, or innovation, without regard to the patentability thereof.

(f) The term "class", when used with regard to inventions, means any class or subclass of inventions under the classification system of the Patent Office.

(g) The term "made", when used in relation to any invention, means the conception or first actual reduction to practice of such invention.

(h) The term "Administrator" means the Administrator of General Services.

PROPRIETARY INTERESTS OF THE UNITED STATES IN INVENTIONS

SEC. 3. (a) The United States shall have exclusive right and title to any invention made by any person if the invention—

(1) was made in the performance by such person of any obligation arising from a contract or lease executed or grant made by or on behalf of an executive agency, and is directly related to the subject matter of such contract; or

(2) resulted from any activity undertaken in the performance of services under any contract or lease executed or grant made by or on behalf of an executive agency for work involving scientific or technological research, development, or exploration.

(b) Any patent issued by the Commissioner of Patents for any such invention shall be issued or assigned by the Commissioner to the United States upon request made by the agency head of the executive agency concerned.

(c) Whenever any such request is made by any such agency head, determination of any question arising with respect to the entitlement of such agency head under this section to receive such patent shall be made in conformity with the provisions of subsections (c), (d), and (e) of section 305 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457).

(d) Whenever any contract or lease is entered into or any grant is made by or on behalf of any executive agency with any person, and the performance of that contract, lease, or grant may result in any invention in which the United States may have a proprietary interest, that contract, lease, or grant shall contain such provisions as the Administrator shall determine, with the written approval of the Attorney General, to be sufficient to (1) protect the proprietary interests of the United States in any invention so made, and (2) require such person to furnish promptly to that executive agency, at such time or times as those provisions shall prescribe, full and complete technical information concerning any invention which may be made in the performance of any obligation imposed by the terms of that contract, lease, or grant.

WAIVER OF PROPRIETARY INTERESTS OF THE UNITED STATES IN INVENTIONS

SEC. 4. (a) Under such regulations as the Administrator may prescribe with the approval of the Attorney General, the agency head of any executive agency may waive all or any part of the proprietary rights of the United States with respect to any invention or class of inventions made or which thereafter may be made by any person or class of persons in the performance of obligations arising under any contract or lease or class of contracts or leases entered into or to be entered into, or any grant or class of grants made or to be made, by or on behalf of that executive agency if—

(1) the agency head has determined that the contribution of funds, facilities, and proprietary information made or to be made by the recipient or recipients of such waiver to the making of that invention or class of inventions so far exceeds, or will so far exceed, the contribution made thereto by the United States Government that equitable considerations favor the granting of such waiver; and

(2) the Attorney General has determined that the granting of such waiver would not facilitate (A) the growth or maintenance of monopolistic control by any person of any product or service, or any class of products or services, offered or to be offered for sale in the trade or commerce of the United States; or (B) the concentration of economic power with respect to any part of the trade or commerce of the United States.

(b) Each such waiver must contain such terms and conditions as may be required to—

(1) reserve to the United States an irrevocable license for the practice of such invention, and the use of technical information relating thereto, throughout the world by or on behalf of the United States or any foreign government pursuant to any treaty or agreement with the United States; and

(2) insure that the recipient thereof will take such action as the Attorney General may determine to be required for the protection of the interests of the United States.

TECHNICAL AMENDMENTS

SEC. 5. (a) The Federal Property and Administrative Services Act of 1949, as amended, is amended by—

(1) inserting at the end of subsection 201(a) thereof (40 U.S.C. 481) the following new sentence: "No such exemption may be made with respect to any action taken by the Administrator pursuant to the provisions of the Federal Inventions Act."; and

(2) inserting at the end of section 302 thereof (41 U.S.C. 252) the following new subsection:

"(f) All purchases and contracts for property and services shall be made in compliance with the requirements of the Federal Inventions Act."

(b) Title 10 of the United States Code is amended by adding at the end of section 2306 thereof the following new subsection:

"(f) All purchases and contracts subject to the provisions of this chapter shall be made in compliance with the requirements of the Federal Inventions Act."

(c) Subsection (a) of section 305 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457) is amended to read as follows:

"(a) All contracts, agreements, arrangements, conveyances, and grants entered into or made by the Administration shall be subject to the requirements of the Federal Inventions Act."

(d) Subsections (f) and (j) of section 305 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457) are repealed.

(e) Section 306(a) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458) is amended by—

(1) striking out, in the first sentence thereof, the words "(as defined by section 305)"; and

(2) amending the second sentence thereof to read as follows: "Each application made for any such award shall be referred to a Contribution Board which shall be established within the Administration."

(f) The Atomic Energy Act of 1954 is amended by striking out section 152 thereof (42 U.S.C. 2182), but nothing contained in this Act shall affect or impair the provisions of sections 151, 153, 154, 155, 156, 157, 158, 159, or 160 of the Atomic Energy Act of 1954 (42 U.S.C. 2181 and 2183–2190, inclusive), or any authority conferred upon the Atomic Energy Commission by such sections.

(g) The Act of May 28, 1933 (48 Stat. 58) as amended (establishing the Tennessee Valley Authority) is amended by—

(1) striking out the colon which appears first in subsection 5(i) thereof (16 U.S.C. 831d(i)) and all thereafter down to the period at the end of such subsection; and

(2) adding at the end of the first paragraph of subsection 9(b) thereof (16 U.S.C. 831h(b)) the following new sentence: "All

purchases and contracts for supplies or services shall be made in compliance with the requirements of the Federal Inventions Act."

(h) The National Science Foundation Act of 1950 is amended by—

(1) striking out section 12 thereof (42 U.S.C. 1871); and

(2) adding at the end of section 15 thereof (42 U.S.C. 1873) the following new subsection:

"(j) Every contract, lease, grant, agreement, understanding, or other arrangement made or entered into by or on behalf of the Foundation shall be subject to the requirements of the Federal Inventions Act."

(i) The seventh sentence of section 10(a) of the Act of June 29, 1935, as added by section 101 of the Act of August 14, 1946 (60 Stat. 1085, as amended; 7 U.S.C. 427i(a)), relating to agricultural research, is amended to read as follows: "Any contract, lease, grant, agreement, understanding, or other arrangement made or entered into pursuant to this authority shall be subject to the requirements of the Federal Inventions Act."

EFFECTIVE DATE

SEC. 6. (a) This Act shall take effect on the first day of the fourth month beginning after the date of enactment of this Act.

(b) The provisions of this Act shall not apply to any invention related to the performance of obligations arising under any contract or lease entered into or grant made by or on behalf of any executive agency other than the Atomic Energy Commission or the National Aeronautics and Space Administration at any time before the effective date of this Act, or to any amendment, modification, or extension of any such contract, lease, or grant if that amendment, modification, or extension is entered into within one year after the date of enactment of this Act. Each such contract, grant, modification, or extension shall be governed by applicable law in effect on the day preceding the date of enactment of this Act.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. GRUENING. I noted with interest the Senator's reference, in his very illuminating and very important speech, in developing and laying the groundwork for correcting one of the most serious abuses from which this Nation suffers, his use of the phrase "double standard."

I am wondering whether he has noted the use of this double standard by the Eisenhower-Nixon administration in many fields, including the field of foreign policy. On the one hand the administration tells us that legislation and appropriations to combat pollution and legislation and appropriations for education, for housing, for resource research, conservation, and development and for much else our people need are wasteful, extravagant, unnecessary and would unbalance the budget; whereas, we are told, identical projects in the foreign field are essential and must not be cut by so much as a nickel.

That is not the only field in which the double standard is applied by this administration. I think, for example, of Connelly and Caudle, who were railroaded to jail by the administration on rather dubious evidence; whereas other officials of this administration, occupying high positions of trust, who have acted along this same line, and committed for more grievous transgressors, were held to be needed, were not prosecuted and indeed were reluctantly dismissed with a pat on the back.

I think of the competition by the Department of Defense with private enterprise while the administration inveighs against such a course although sanctioning it in practice—another example of its double standard.

Many similar illustrations can be given, particularly in the field of foreign relations, although I do not wish to take the time of the Senator from Louisiana in the course of the delivery of his very fine speech. In other words, profession and performance, promise and fulfillment, do not coincide at all so far as the present administration is concerned. I have given some striking examples.

As the Senator from Louisiana has so well said, what is the use of having an antitrust division in the Department of Justice, or what is the use of talking about the enforcement of antitrust laws, when the present administration is at the same time creating patent monopolies that cost the American public billions of dollars?

I very sincerely hope that the proposed legislation which the distinguished Senator from Louisiana is introducing to correct this situation will have prompt and favorable consideration. If this desirable legislation cannot be acted upon in the present session due to lack of time remaining, I hope that in the intervening time before the 87th Congress we will have its importance propagated so that the American people can see how the existing policies are used to their disadvantage and that there is need for a change.

Mr. LONG of Louisiana. I thank the Senator. When I used the phrase "double standard" I was happy to note that the Senator from Alaska was on the floor, because he has been one who has so ably pointed out the double standard in other fields, particularly in connection with foreign aid, as contrasted with domestic projects.

So far as the foreign aid is concerned, someone downtown will authorize a project without any idea of what it is going to cost, and sometimes there will be spent 10 or 20 times the estimated cost of the project.

If, on the other hand, we try to get a project constructed in this country, we cannot get it authorized unless we can prove that it will be paid off several times in terms of water use, for example.

Mr. GRUENING. I was present at the executive meeting of the Public Works Committee this morning, when the distinguished Senator from Nebraska [Mr. CURTIS] who is now on the floor, put forward a project dealing with flood control in his State. In connection with such a project at home, in the United States, an authorization must first be requested of the appropriate committee of one House of Congress. It must be taken up by a subcommittee of the Committee on Appropriations. Then it must be approved by the full committee. Then it must be passed by one House, and then the same procedure must be followed in the other House.

However when we come to a flood-control project, many times a more tremendous project, which is to be built in a foreign country, it is decided upon in one of the Government bureaus downtown, and Congress is merely asked to approve and then to appropriate the money in an omnibus foreign aid bill. There is, for example, the $515 million as Uncle Sam's share for a project for the Indus River area. It may be a worthy project, but that foreign project is not submitted to the same procedure that the excellent project of my friend from Nebraska is subjected to. It is authorized in some bureau downtown, and we are told that we must okay it. We are told we must give the administration a blank check. Of course we are told that the project exists, but that is about all. We are enjoined to approve it as essential for the security of our Nation.

Mr. LONG of Louisiana. Yes; the Senator from Alaska probably is familiar with the road project in Vietnam, which we were told would cost $18 million to construct. The latest information is that $129 million has already been spent on the road, and it is still not completed. The Senate sent a committee over there to find out why the road was costing so much. They wanted to know why it is costing so much more than the estimated $18 million. When the committee returned, we were told that if it was going to cost that much, it should not have been undertaken in the first place, because the money could have been spent better somewhere else. If a project is requested to be constructed in this country, for example, in the State of Alaska, to develop the great frontier of Alaska, the State which is so ably represented by the Senator and his colleague, it would be necessary first to lay out what the project would cost. Then the project would have to be approved and justified, and proof must be submitted to show what good it would do in the development of the area. All those justifications would have to be made first before the project would be approved.

On the other hand, on a project in a foreign country, far from telling us what it would cost, the best estimate we get of the cost is something like 10 to 1, and after they have worked on it for some time and spent $129 million, they say that if it was going to cost that much, it should not have been justified in the first place.

Mr. GRUENING. The Senator is quite right. We are now being told that we must build a road from Rangoon to Mandalay, the road immortalized in verse and song half a century or more ago by Rudyard Kipling. We are now being asked to remake that road to Mandalay a reality with American dollars.

Mr. LONG of Louisiana. I agree with the Senator.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. CURTIS. Concerning the patent policy of the Defense Department, am I correct in understanding the distinguished Senator to say that that policy varies with certain other agencies such as the National Science Foundation and the Department of Agriculture and the Department of Health, Education, and Welfare?

Mr. LONG of Louisiana. Yes. Actually what seems to be the case is that in every case where Congress has spoken on this subject, Congress has insisted that where the taxpayers pay for the development and research, the product of that research and development should belong to the 180 million taxpayers.

On the other hand, where administrative discretion has been permitted—I am not criticizing this administration alone, because this practice has been in effect in other administrations as well—where discretion has been permitted in the administrator as in the Defense Department, the Department of Health, Education, and Welfare, and the Post Office Department, the discretion has been used to permit the contractor to get all the private patent rights and the proprietary rights, reserving to the Government only the relatively free and nonexclusive license to have some of these things produced for the Government.

Mr. CURTIS. How long has this policy been in existence?

Mr. LONG of Louisiana. It started in World War II.

Mr. CURTIS. Congress has not changed it during that time?

Mr. LONG of Louisiana. It has not.

Mr. CURTIS. In the cases where the public does have a greater interest in the patent development from Government-financed research are cases where legislation is required?

Mr. LONG of Louisiana. Yes.

Mr. CURTIS. The Senator is talking about a policy which sprang up in World War II and has continued until the present time?

Mr. LONG of Louisiana. Yes. I pointed out in my previous speech that in World War II the Government only reluctantly yielded to this policy, because a large number of contractors took the position that they did not want to do the research and development unless they could get the private patent rights. The Government reluctantly yielded on that point. Of course at that time they were spending only a few hundred million dollars. Now the amount has reached $6 billion. Since that time Congress has passed the Atomic Energy Act and has provided just the opposite kind of policy. It retained all the atomic energy rights so that they might be made generally available for use by the Government or to anyone the Government desired to license.

Mr. CURTIS. Is it the contention of the Senator from Louisiana that the situation in the Department of Defense, about which the Senator has complained, exists because Congress has not acted?

Mr. LONG of Louisiana. It is my contention that Congress should act on the subject. I am not here to charge dereliction.

Mr. CURTIS. But action was taken in the other cases—atomic energy, agriculture; and what else?

Mr. LONG of Louisiana. The National Aeronautics and Space Administration.

Mr. CURTIS. Public health?

Mr. LONG of Louisiana. No. The Tennessee Valley Authority.

Mr. CURTIS. How about the National Science Foundation?

Mr. LONG of Louisiana. No. The National Science Foundation is one agency concerning which Congress did not act. I believe Congress should act in that instance. I am introducing a bill which would spell out the standards according to which I think the action should be taken.

Mr. President, I ask unanimous consent that the colloquy which has occurred during the course of this speech may appear at the end of my prepared statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG of Louisiana. If I may return once again to the subject of a double standard, this is how the Martin Co. acts. They have stated that when Government funds are involved, they permit the subcontractors to retain the title to inventions, improvements, and discoveries. That is, if the Government is paying for research and development done by the Martin Co., of Baltimore, the Martin Co. will permit the subcontractors to retain the title to all the inventions, improvements, and discoveries for their own account. But if the Martin Co. spends its own funds, title—and everything that goes with it—goes to the Martin Co.

When the Martin Co. is spending the money of the taxpayers, they are perfectly willing to have the subcontractors retain all the proprietary benefits which result from the research. But if the Martin Co. is spending its own money, it requires that all patent rights belong to that company.

Any company would fire its board of directors if the board spent money for research and development and then did not retain the benefits which came from that research and development.

Mr. GRUENING. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. GRUENING. What the Senator has demonstrated is very much in point with a question I raised earlier as to whether there was any ethical or moral justification for this present patent policy. As the Senator has pointed out, by implication, we like to believe that there is an ethical and moral difference between the principles which we Americans follow in our free society and those of the totalitarian system. Apparently there is not that difference in this field of patent practice, apart from the very practical cogent material reasons why our taxpayers' money should not be used to their disadvantage. So that both on the high plane of ethical and moral ground, as well as from a practical standpoint, this present policy needs to be reversed, and will be reversed if the Senator's bill is acted upon favorably, as I hope it will be.

Mr. LONG of Louisiana. I thank the Senator from Alaska. Certainly it is immoral to tax one businessman to help his competitor to develop a new product, and then to deny him the opportunity to compete with that man in producing the product which he has paid his own tax money to help develop. One would think that at the very minimum he should have an equal opportunity, particularly when his competitor has been granted tax funds to develop a new product.

Mr. GRUENING. The allegations of the Senator from Louisiana are unanswerable. I hope this subject will receive the widest attention and discussion.

Mr. LONG of Louisiana. I thank the Senator from Alaska.

Mr. GRUENING. Mr. President, will the Senator from Louisiana yield for a question?

Mr. LONG of Louisiana. I yield.

Mr. GRUENING. I noted with interest that the distinguished junior Senator from Louisiana quoted Mr. Brownell, the Attorney General of this administration in 1956, as warning that the present patent policy may well be "one of the major factors tending to concentrate economic power." Was that warning followed by any recommendation by the administration to do something about it?

Mr. LONG of Louisiana. I regret to say that it was followed by what I regard as a general retreat. Although a Democratic Attorney General recommended strongly that these patents, which were paid for at public expense, should be available to everyone, the Republican Attorney General, Mr. Brownell, made a weaker statement. Now the present head of the Antitrust Division has stated that certain factors should be considered. But by the time he got through with his letter to us, it meant just about zero. And the President has taken no stand at all.

Then the administration set up a study group, which has been studying the matter for 2 or 3 years—which, in my judgment, is just an excuse for not making some sort of recommendation.

Meanwhile, the study group went to the George Washington Patent Foundation and asked it to make a study and to recommend to it what its position should be.

The interesting thing, to me, is that the George Washington Patent Foundation is supported by the private patent lawyers, and they have an ax to grind. No one has a greater interest in preserving a system of taxing the public for private advantage than do the patent lawyers themselves.

Mr. GRUENING. Naturally.

Mr. LONG of Louisiana. If they are able to maintain this system, they will be in a position to do patent work on $6 billion a year of unnecessary patent litigation; and I assume that those who control this foundation are generally the leaders of the American Patent Law Association, the bellwethers of which seem to be the attorneys for Allis-Chalmers Corp., General Electric Corp., and other large corporations.

The impression I have gained is that those who demand this unconscionable advantage are not so much those in big business as their patent lawyers. Most big businessmen with whom I have discussed the matter have quite readily conceded to me that what is sauce for the goose is also sauce for the gander; that if they employed someone to do research and development work for them, they would insist on retaining the patent

rights for their company; and that it is logical for the Government to proceed on the same basis.

Mr. GRUENING. I think that is undeniably so.

I would say that this example of the misapplication of public expenditures is not the only instance of this sort. The Department of Defense, which seems to be the chief offender in this patent business, is now engaging in monopolizing the oxygen business, although a number of private firms have for some time been engaged in that business; and the Govment, which preaches that there should be no Government competition with private business, is engaged in that field—in other words, as the Senator from Louisiana has said, is now talking out of both sides of its mouth; and the head of the Antitrust Division is talking out of both sides of his mouth, but appears to be saying nothing out of either side.

Mr. LONG of Louisiana. The Senator from Alaska is correct.

I have pointed out how certain of these large concerns have their patent lawyers, who, in turn, are joining in the drive to try to preserve a system under which the private contractors will have the patent benefits from the work done by means of public expenditures of $6 billion a year—with the result that the public has to pay high, monopolistic prices for 17, 34, or 51 years thereafter—for as long as these patents and the improvements can be extended. In that way the public has to pay for many years to come for what the public has already paid for; and I stated that certain influential patent lawyers are in large measure determining the Government's position in connection with this matter.

I have here, fortunately, a copy of two letters sent by the American Patent Law Association to its members, relating to a meeting at which this particular problem was discussed. Let us face it. They have an important ax to grind. Patent lawyers probably make as much out of this as anybody. A meeting was held at which were present Mr. Paul R. Ames, who, I understand, is attorney for Standard Oil; Mr. T. L. Bowes, attorney for Westinghouse; Mr. Gavin M. Crawford, who I believe represents Westinghouse; Mr. Howard I. Forman, attorney for Rohm & Haas Co.; Mr. Robert Gottschalk, attorney for Standard Oil; Mr. Ray M. Harris, attorney for NASA; Mr. H. Hume Mathews, attorney for Air Reduction Co.; Mr. Frank L. Neuhauser, attorney for General Electric; Mr. David A. Rich, attorney for Sanders Association, Inc.; Mr. Benjamin G. Weil, attorney for the Martin Co.; Mr. Hugh S. Wertz, attorney for Bell Laboratories, and Mr. Kimball S. Wyman, attorney for Allis-Chalmers.

These gentlemen discussed this matter, and their activities were directed toward an effort to get the law changed so they would get the patent rights on space and aeronautics developments.

Mr. Neuhauser and Mr. Wyman, I believe, made speeches along this line. It was resolved that they should proceed with this kind of effort to get patents resulting from expenditures of Government money on research.

I was pleased to see that my interest in trying to protect the public interest in the matter merited their attention. They have written and informed a rather considerable number of companies who were benefiting from this gigantic expenditure of public moneys that they should write their Representatives and Senators to see that nothing came of the efforts to give the Government the patent rights.

Mr. President, I ask unanimous consent that the letters to which I have referred be included in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN PATENT LAW ASSOCIATION,
Washington, D.C., May 11, 1960.

To: Members of the Committee on Government Patent Policies.

From: Howard I. Forman, chairman.

GENTLEMEN: The following is a report on the meeting of our committee on Friday, April 29, 1960, which was held in Rivers suite D of the Pittsburgh Hilton Hotel. The following persons were listed on the attendance register:

MEMBERS

Paul R. Ames, Standard Oil.
T. L. Bowes, Westinghouse.
Gavin M. Crawford, Westinghouse.
Howard I. Forman, Rohm & Haas Co.
Robert Gottschalk, Standard Oil.
H. Fredrick Hamann, NASA.
Ray M. Harrick, NASA.
Melvin R. Jenney, Whitten & Holden.
H. Hume Mathews, Air Reduction Co.
Frank L. Neuhauser, General Electric.
David A. Rich, Sanders Associates, Inc.
Benjamin G. Weil, the Martin Co.
Hugh S. Wertz, Bell Laboratories.
Kimball S. Wyman, Allis-Chalmers.

GUESTS

Reynold Bennett, National Association of Manufacturers, New York, N.Y.

James P. Burns, chairman, National Council's Government Patent Policy Study Committee.

Donald L. Dickerson, Socony Mobil Oil Co., New York, N.Y.

John W. Gaines, Webb, Mackey & Burden, Pittsburgh, Pa.

Elmer J. Gorn, Raytheon Co., Waltham, Mass.

Joseph E. Kerwin, Allis-Chalmers Manufacturing Co., Milwaukee, Wis.

Roberts B. Larson, Larson & Taylor, Washington, D.C.

Lyle S. Motley, Borg-Warner Corp., Chicago, Ill.

Frederick M. Murdock, Monsanto Chemical Co., St. Louis, Mo.

Joseph C. Schwalbach, Carpenter, Abbott, Coulter & Kinney, St. Paul, Minn.

Hon. Arthur M. Smith, U.S. Court of Customs and Patent Appeals, Washington, D.C.

George W. Talburtt, Chrysler Corp., Detroit, Mich.

William H. Webb, Webb, Mackay & Burden, Pittsburgh, Pa.

AGENDA AND ACTION TAKEN

The chairman opened with a brief report on the disposition of two resolutions approved by the committee at its meeting on January 20, 1960, and referred to Frank Neuhauser, our board liaison member, for presentation to the board of managers. The first resolution, which, in effect, reaffirmed the association's earlier stated position advocating amendments to the patent provisions in the Space Act of 1958 be considered by the board as requiring no further action. The second resolution, which proposed establishment of an ad hoc committee from members of the legislation and Government patent policies committees to furnish representatives on short notice to appear at hearings of Congress, was considered by the board as requiring no action, for the reason that both committees can make such an arrangement on their own. The board commended our committee for its action and recommended that the chairmen of both committees get together on this suggestion, and this has been done.

* * * * *

ITEM 6

Subcommittee No. 1; "Distribution of rights to inventions arising from Government-sponsored research": The chairman explained that this subcommittee had done an excellent job, but the complexities of its subject matter were such that in order to decide what further action should be taken it was deemed desirable to have additional information presented in the form of prepared talks. He then introduced Frank Neuhauser who gave the first talk, successively followed by Kimball Wyman and Ray Harris. The talks were so well received that it was decided to have them reproduced and distributed to all the members of the committee. Afterward, it was decided to ask Mr. Webb and Miss Gauer to authorize and arrange for printing of the talks in the APLA Bulletin at the earliest opportunity, in order that the entire membership of the association could have the benefit thereof.

Before the discussion on the talks and the subject matter of the subcommittee's work, the chairman read a letter from William R. Lane dated April 11, 1960, which proposed that our committee undertake a study with a view toward recommending what should be done with patents owned by the Government (e.g., license them royalty free, license them for royalties, dedicate them to the public, etc.). This was done in order to have his proposal included in the closely related subject matter of the three talks and the subcommittee's field of interest.

A lengthy discussion ensued and three motions were introduced and carried, two of them proposing resolutions to be transmitted to the board of managers for action. The first resolution, which was submitted by Paul Ames, is as follows:

"Resolved, That the American Patent Law Association commend the Mitchell Subcommittee on Patents and Inventions of the House Committee on Science and Astronautics for the manner in which it conducted the hearings on the patent provisions of the bill proposed by the Honorable OVERTON BROOKS to amend the Space Act of 1958, and on the report issued as a result of those hearings under date of March 8, 1960. While the American Patent Law Association would have preferred to have seen the Mitchell subcommittee recommend a position in line with the APLA's stated position, and while not necessarily agreeing with some of the conclusions expressed in the subcommittee's report, the APLA supports and urges the passage of the Brooks bill."

This resolution was unanimously passed. It will be referred to Frank Neuhauser for presentation to the board of managers.

The second resolution, which was submitted by Kimball Wyman, was as follows:

"Resolved, That the public interest will be best served and the purpose of the patent system best achieved by the vestment of title to all inventions made by contractors in fulfilling research and development contracts, financed in whole or in part by the Government, in said contractors: *Provided, however,* That said title shall be subject to a nonexclusive license in the Government for Government purposes; *Provided further,* That if any said inventions shall be declared affected with a public interest in accordance with the following principles:

"1. The activities to which the patent license is proposed to be applied by such ap-

plicant are of primary importance and the furtherance of policies and purposes of Government; and

"2. The licensing of such invention or discovery is of primary importance to the needs of an applicant for a patent license in furtherance of the policies and purposes recited in (1); and

"3. The said applicant cannot otherwise obtain a patent license from the owner of the said patent on reasonable royalty terms for the intended use of the patent to be made by such applicant; and

"4. The policies and purposes of Government recited in (1) cannot be adequately served unless the said applicant is granted a license.

"Then the said inventions shall be made subject to the grant of nonexclusive licenses on royalty terms and on conditions deemed reasonable to the patent owner."

This resolution was passed with the further proviso (which was added during the discussion) that it be referred to the board of managers as an indication of the principles favored by the committee and not as an item which is to be considered for early action and possible publication as an official representation of the association.

The final motion was that subcommittee No. 1 be reconstituted, since the chairman, Kimball Wyman, had indicated that he could no longer serve in that capacity because of the pressure of his other duties, and that the group shall be considerably expanded so as to be able to carry out a number of programs simultaneously. This motion was unanimously carried.

ITEM 7

Benjamin Weil gave a brief résumé of a discussion he recently had with members of Senator O'MAHONEY'S staff concerning the meaning of certain items in a survey letter which the Senator had recently sent to various companies concerning patents, particularly with regard to inventions arising out of contracts had with the Government. Apparently, until it was brought to their attention, O'MAHONEY'S staff was not aware of the significance of some of the questions on fiscal matters which were raised in the letter.

In conclusion, it may be stated that our committee made tremendous forward strides at the Pittsburgh meeting, particularly in the area of the subjects considered by our Subcommittee No. 1. The principal accomplishment seemed to be a meeting of the minds that: (1) some compromise with regard to our previous position may have to be made in the face of the tremendous opposition we face in Congress, and in view of the comments made by the members of the Mitchell subcommittee who generally appear sympathetic to our views; (2) a compromise can be proposed which will yield some minor ground but which may have the effect of reinforcing our defenses against attack on the patent system itself; and (3) an affirmative approach must be developed expounding "reforms" of our own rather than adhering to a negative approach in which we maintain no change is needed of any kind.

The attack on Federal patent policies is quite obviously part of an attack on our patent system as we have known it to date. If there has been any doubt on this score it may be resolved by reference to the 17-page tirade by Senator LONG which appeared in the CONGRESSIONAL RECORD of May 3, 1960, on pages 9215–9228 and on May 4, 1960, pages 9378–9380. I hope to obtain and send copies of that speech to each of you soon.

In the meantime, our work will go forward with the objective of developing a specific approach to the problem posed by Senator LONG and the adherents to his views. Acting on the committee's stipulation, there has been newly established Subcommittee No. 1–A on "Rights In Inventions Arising From Government-Sponsored Research" under the chairmanship of Ray Harris. It is hoped that the new subcommittee will make its report in time for action before the October meeting of the association.

I wish to acknowledge, with grateful appreciation, the cooperation of H. Fredrick Hamann in acting as Secretary at the Pittsburgh meeting and providing me with excellent minutes. Also, my thanks to Frank Neuhauser, Kimball Wyman, and Ray Harris who, by their excellent talks, set the stage for the deliberations and actions which followed.

———.

AMERICAN PATENT LAW ASSOCIATION,
Washington, D.C., May 12, 1960.

To: Members of the Committee on Government Patent Policies.

From: Howard I. Forman, chairman.

GENTLEMEN: Near the end of my letter No. 11 mention was made of a tremendous blast by Senator LONG of Louisiana on the subject of Federal patent policies. He made his long and caustic statement on the floor of the Senate on May 3 and 4, 1960. His remarks were printed in the CONGRESSIONAL RECORD for those 2 days in 17 pages from 9215 to 9228 and 9378 to 9380.

Mimeographed copies of Senator LONG'S speech, as it appeared in the CONGRESSIONAL RECORD of May 3, have been procured from his office. One copy is enclosed for your files. However, if you can get a look at the CONGRESSIONAL RECORD for May 4, you should examine LONG'S list of 300 companies and installations receiving largest amounts of military research and development contracts in the fiscal years 1954–56. Also appearing in that issue, and in the CONGRESSIONAL RECORD for May 5, are letters from the following persons praising Senator LONG for his stand:

Senator JAMES E. MURRAY, Democrat, of Montana.

Senator LISTER HILL, Democrat, of Alabama.

Senator THOMAS J. DODD, Democrat, of Connecticut.

Senator OREN E. LONG, Democrat, of Hawaii.

Senator MILTON R. YOUNG, Republican, of North Dakota.

Senator ALBERT GORE, Democrat, of Tennessee.

Senator DENNIS CHAVEZ, Democrat, of New Mexico.

Senator CLAIR ENGLE, Democrat, of California.

Representative JAMES H. MORRISON, Democrat, of Louisiana.

It is suggested that you study LONG'S speech carefully. When you do, you might keep these thoughts in mind for possible action which could be taken:

1. Consider recommendations for a course of action which you think our committee should pursue and advise me of same with a copy to Ray M. Harris, chairman of subcommittee 1–A on "Rights to inventions arising from Government-sponsored research."

2. Consider contacting your local patent law associations and recommending a course of action which they should take.

3. Consider contacting your own Senators and Congressman, and asking your clients to do likewise (particularly if you or your clients are constituents of any of the persons listed above).

4. Consider other actions which you believe should be taken at this time either to refute Senator LONG'S charges directly or to acquaint others in Congress with the fallacies in some of LONG'S statements.

Your attention is invited to H.R. 12049, a bill by Mr. BROOKS of Louisiana, which was introduced on May 3, 1960. It is a clean bill based on the changes recommended in the Mitchell subcommittee report with which you are all familiar. It is understood that this bill may be reported out of committee soon, perhaps by the time you receive this letter.

Your attention also in invited to H.R. 10809 which Senator LONG of Louisiana placed in the legislative hopper (Calendar No. 1333) on May 2, 1960, as an amendment he proposes to introduce to H.R. 10809 (the original Brooks bill which is superseded by H.R. 12049).

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. GRUENING. The $6 billion that would be saved to the public by the adoption of the legislation proposed by the junior Senator from Louisiana might help balance the budget and even give us a surplus going beyond even the $4 billion which the President held up so alluringly as something which we might save if the Nation were willing to forego some of the benefits which many of us think our domestic economy and social welfare need. It would not only be of public benefit and redound indirectly to the benefit of the Treasury, but it would work a great moral and ethical principle which we need in this country. Is that correct?

Mr. LONG of Louisiana. It would do that. In many instances, the savings would be hidden savings. The very thing we are doing here would result in costing the public and the taxpayers more than $30 billion over the next 25 or 30 years as a result of the higher costs the people would have to pay to the monopolies, which would charge much higher prices than the people would be charged if there had been effective competition.

THE TIDAL WAVE TRAGEDY AT HAWAII EMPHASIZES NEED FOR SEAWALL AT HILO

Mr. FONG. Mr. President, while I was in Buenos Aires, Argentina, last week, a great disaster struck the State of Hawaii. The series of earthquakes in Chile caused seismic waves, more popularly termed tidal waves, all over the Pacific Ocean. When the seismic wave or tsunami or tidal wave hit my State of Hawaii, more than $50 million damages were caused in a matter of minutes. The exact number of dead has up to this minute numbered 57 persons. More than 200 have been injured.

The big island of Hawaii suffered the greatest blow. Almost all of the damages of $50 million occurred here. The island of Oahu suffered damages in the neighborhood of $250,000 to about 50 homes. The estimated damage on the island of Maui to homes, cannery plant, and dock and waterfront facilities is estimated at $1,500,000. On the island of Molokai, four homes were demolished and three homes and six fish ponds were damaged for an overall estimated loss of $25,000. On the island of Kauai only several beach homes were damaged.

The city of Hilo, on the island of Hawaii, the second largest city in the State of Hawaii, is in shambles. Buildings were knocked over as if they were matchsticks. Large trees were uprooted. Hundreds of businesses and homes were wiped out. Electricity and telephone services were disrupted. Almost every

parking meter was bent to the ground. Hilo is a city of sorrow, of death, of debris, of mud and devastation.

This destruction was indeed a most regrettable catastrophe of the first order. I know that I express the feeling of my colleagues in the Senate when I say we are deeply grieved at the loss of the lives of so many of our people in this disaster. I know my colleagues join me in conveying our heartfelt condolences to the famlies who have suffered from the great loss of their loved ones. I know my colleagues would like to have me express also their regrets to all those who have suffered property losses.

The city of Hilo on the big island of Hawaii will have to be rebuilt for the second time within 14 years. This last tidal wave was the 42d to reach Hawaii in recorded history. Some were mere ripples which added only inches to the water level. Others were 50-foot monsters which took tremendous tolls in loss of life and human suffering. The most terrible of all occurred on April 1, 1946. It was Hawaii's worst natural disaster. Born of a mighty earthquake off the Aleutian Islands at 1:59 that morning, a series of waves rolled southward, 1,800 miles across the Pacific at a speed of 490 miles an hour and crashed without warning into the north coast of the big island of Hawaii at 6:45 a.m. The other islands were hit minutes later. The final toll was 159 dead, 163 injured, some 5,000 homeless. Territorywide damage amounted to $25 million. The most tragic destruction was in Hilo and along the Hamakua coast. The big island counted 121 dead including 23 persons who were swept out to sea at Laupahoehoe. Six died in Oahu, 18 on Maui, 14 on Kauai. The waves, which in places reached heights of 55 feet, crumbled homes, business houses, wharves, and boats. They tore up streets and canefields. Hilo's front area was a shambles. The waves picked up wooden buildings from one side of Hilo's Kamehameha Avenue and smashed them against concrete structures on the other side. Three- and four-story apartment and tenement buildings disappeared. Damage was heavy along coastal areas of other islands but was nothing in comparison to Hilo.

Out of the 1946 disaster came the present method of warning the islanders of approaching tidal waves. Spurred by the tragedy, the Federal Government set up an elaborate tidal wave warning system in the Pacific. This alerted islanders hours in advance.

It was unfortunate that many people in Hawaii, after having been warned of the impending danger, regarded the matter lightly and did not vacate their homes. Many of those who died would now be living had they heeded the warning, and a large part of the estimated $50 million destruction of property also could have been prevented by a protective sea wall. The Corps of Engineers estimates that 90 percent of the destruction at Hilo could have been avoided had there been a protective sea wall approximately 2 miles long and 22 feet in height. Such a sea wall would cost between $5 million and $7 million.

At this morning's meeting of the Committee on Public Works of the Senate, at my urgent request, this project was authorized as a project of great emergency. I ask my colleagues for their support, so that the necessary funds may be appropriated as soon as possible.

I should like to commend at this time officials of the State and Federal Governments for the fine work which they have done to alleviate the suffering of the people of Hawaii. I should like also to commend the many individuals and private organizations who also gave immediate assistance; the Coast Guard, for alerting owners of large and small craft of the impending danger; the U.S. Navy in supplying electrical power to Hilo; and the U.S. Army in offering equipment and personnel. The Hawaii National Guard rendered invaluable assistance in guarding against pilferage and is now helping in the tremendous job of cleaning up the devastated area.

On the night of the disaster the headquarters of the American Red Cross in Washington immediately organized a team to be dispatched to Hawaii and this organization has since been providing to our people very helpful and commendable service.

In Washington, D.C., the Small Business Administration declared the State of Hawaii a major disaster area and the Department of Agriculture reminded farmers on the island of Hawaii that they were still eligible for emergency loans from the Farmers Home Administration as a result of the March 4, 1960, declaration of the island as a disaster area following the volcano eruptions which occurred earlier this year.

When the President declared Hawaii a major disaster area on Wednesday, May 25, in reply to the request by my distinguished colleague [Mr. LONG], Gov. William F. Quinn and myself, other Federal agencies swung into action under the direction of the Office of Civil and Defense Mobilization.

On behalf of the people of Hawaii, I wish to express my heartfelt appreciation to all of the officials of our Government and to all persons and organizations who have contributed and who are contributing help to us.

In behalf of the people of Hawaii, I ask that necessary funds be immediately appropriated for a protective seawall for the city of Hilo so that there will be no repetition of this great castastrophe which has taken a toll of 57 lives, caused injury to more than 200 people, and caused over $50 million of property damage.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. FONG. I yield.

Mr. CURTIS. The distinguished Senator from Hawaii should be commended for his statement, as well as for the prompt action which was taken by the Committee on Public Works. I am delighted that the Senator has referred to the sympathy of the entire Senate toward the people who have lost their loved ones and have suffered injury or property loss. I am intensely interested in what the Senator has had to say, because it is absolutely accurate; it is much less expensive to prevent something from happening than to repair the damage after a disaster.

Mr. FONG. I thank the distinguished Senator from Nebraska for his very kind words.

ORDER OF BUSINESS

Mr. MOSS obtained the floor.

Mr. MOSS. Mr. President, I ask unanimous consent that I may yield to the senior Senator from Virginia with the understanding that I shall not lose my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered.

OVERALL LIMITATION ON FOREIGN TAX CREDIT

The Senate resumed the consideration of the bill (H.R. 10087) to amend the Internal Revenue Code of 1954 to permit taxpayers to elect an overall limitation on the foreign tax credit.

Mr. BYRD of Virginia. Mr. President, the pending bill, H.R. 10087, relates to the overall limitation on foreign tax credit. It amends the Internal Revenue Code to permit taxpayers to elect an overall limitation on the foreign tax credit. The overall limitation has the effect of permitting taxpayers to treat the taxes of the various foreign countries collectively, rather than separately for each country.

Under present law, the amount of foreign tax which may be credited against U.S. tax is restricted by a so-called per-country limitation, with a provision for a 2-year carryback and 5-year carryforward of unused credits.

H.R. 10087, as passed by the House, permitted taxpayers to elect, at 5-year intervals, to apply either the overall limitation or the per-country limitation in computing the foreign tax credit. The same method was required to be followed for at least 5 years unless the Secretary or his delegate consented to an earlier change. In addition, the carryback and carryover provision was amended to permit unused credits from a per-country year to be carried back and forward to either per-country years or overall years, but the overall limitation could only have been carried back or forward to other years where the same overall limitation was applied.

The committee has amended the House bill in several respects. Like the House bill, the committee bill permits taxpayers to elect the overall limitation in lieu of the per-country limitation, but once made, the election shall be binding until the Secretary or his delegate gives his consent to change. The committee has been assured that the Secretary will be reasonable in exercising this authority and will permit taxpayers to shift to the per-country limitation where they are about to enter substantial operations in a new foreign country which may prove quite risky with the possibility of loss for a number of years. Also, it is understood that he will permit taxpayers to shift back to the per-country limitation

where substantial losses are realized with respect to existing investments because of nationalization, expropriation, or war.

The committee bill provides special rules where an affiliated group of corporations file a consolidated return and among the corporations included in the group are one or more Western Hemisphere trade corporations. Under these rules unused credits attributable to the income of a Western Hemisphere trade corporation which is taxed by the United States at 38 percent could not be used to offset the U.S. tax of 52 percent on income from other foreign countries. However, if the Western Hemisphere trade corporation pays foreign taxes greater than the regular U.S. tax, the excess could be used to offset U.S. tax on income from other foreign countries.

The committee has also amended the carryback and carryforward provisions of the House bill so that unused credits from a per-country year may not be carried back and forward to overall years. Under the committee bill, as under present law and the House bill, unused credits from a per-country year may be carried back or forward to other per-country years. Unused credits from an overall year may be carried back and forward only to other overall years.

The House bill involved a revenue loss of approximately $20 to $40 million. The committee amendments reduce this revenue loss to between $15 and $20 million. The Treasury Department has indicated that it has no objections to the bill as amended by the committee.

Section 5 of the bill was added by the committee. It excludes from gross income reimbursements for moving expenses received by employees of certain corporations formed exclusively to operate laboratories for the Atomic Energy Commission unless the employees were advised at the time of their employment that this reimbursement was taxable. By its terms, section 5 applies only for the period from 1950 to the date of enactment of this act. This amendment was added by the Senate to the Technical Amendments Act of 1958 but was deleted in the conference because the Treasury Department objected to it. The Treasury Department has now indicated that it does not object to the enactment of this provision.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER (Mr. GRUENING in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. ANDERSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from New Mexico will be stated.

The LEGISLATIVE CLERK. On page 10, after line 10, it is proposed to insert the following:

If refund or credit of any overpayment resulting from the application of this section is prevented on the date of enactment of this act, or within six months after such date, by the operation of any law or rule of law (other than chapter 74 of the Internal Revenue Code of 1954, relating to closing agreements and compromises, and the corresponding provisions of prior law), refund or credit of such overpayment may, nevertheless, be made or allowed if claim therefor is filed within six months after such date. No interest shall be paid or allowed on any overpayment resulting from the application of the preceding sentence.

Mr. ANDERSON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement I have prepared upon this amendment. I hope the chairman of the committee will agree to the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ANDERSON

Section 5 of the pending bill was added at my request to afford relief to certain employees who incurred moving expenses to engage in research, development, and production tasks for a nonprofit corporation working under contract with the Atomic Energy Commission. The Atomic Energy Commission under the contract reimburses such nonprofit corporation for all costs and expenses of its operation. Section 5, as reported by our committee, does not require the reimbursement of moving expenses to the employees of such nonprofit corporations to be included in the income of such employees, unless the particular employee was advised by an authorized official of the nonprofit corporation that the amount of such reimbursement should be included in his gross income. This matter was taken care of by the Senate in an amendment to the Technical Amendments Act of 1958, but because of questions by the Treasury Department, it was deleted in conference.

The Treasury Department having now expressed no objection, the Senate Finance Committee, in section 5, has adopted the same amendment. However, I have recently learned that some of the employees to be benefited by the section cannot now avail themselves of its provisions because of the possible expiration of the 3-year period of limitations on the allowance of claims for refunds. They were not confronted with this bar when the Senate adopted the amendment in 1958.

To remove this restriction in such a situation, the amendment which I now offer permits such employees whose claims are now barred by the running of the statute of limitations to secure a refund of their reimbursed expenses if claim for refund is filed within 6 months after date of enactment of the act. In the case of such barred claims, no interest is payable on the amount to be refunded under my amendment.

Mr. BYRD of Virginia. Mr. President, as chairman of the committee, I accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico.

The amendment was agreed to.

Mr. GORE. Mr. President, I offer two amendments, which I send to the desk and ask to have stated. They are designated "5-27-60—A" and "5-27-60—B." I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. The amendments offered by the Senator from Tennessee will be stated.

The LEGISLATIVE CLERK. At the end of the bill, it is proposed to add a new section, as follows:

SEC. 6. Information with respect to certain foreign corporations.

(a) REQUIREMENT.—Subpart A of part III of subchapter A of chapter 61 (relating to information concerning persons subject to special provisions) is amended by redesignating section 6038 as 6039, and by inserting after section 6037 the following new section:

"SEC. 6038. Information with respect to certain foreign corporations.

"(a) REQUIREMENT.—

"(1) IN GENERAL.—If a domestic corporation controls any foreign corporation, it shall furnish such information with respect to such foreign corporation, and with respect to any foreign subsidiary of such foreign corporation, as the Secretary or his delegate prescribe by forms or regulations as necessary to carry out the provisions of the income tax laws.

"(2) LIMITATIONS, ETC.—The information required by paragraph (1) shall be furnished—

"(A) in the case of the foreign corporation, for its taxable year ending with or within the domestic corporation's taxable year, and

"(B) in the case of any foreign subsidiary of such foreign corporation, for such subsidiary's taxable year ending with or within such foreign corporation's taxable year.

The information required by this subsection shall be furnished at such time and in such manner as the Secretary or his delegate shall by regulations prescribe; but no information shall be required to be furnished under this subsection with respect to any corporation for any taxable year unless such information is of a character which was required to be furnished under the forms or regulations in effect on the first day of such taxable year.

"(b) EFFECT OF FAILURE TO FURNISH INFORMATION.—If, before the expiration of the time prescribed for furnishing the information required by subsection (a), the domestic corporation does not satisfy the requirements of subsection (a) with respect to the foreign corporation and each subsidiary described in subsection (a), then no credit shall be allowable under section 902 (relating to foreign tax credit for corporate stockholder in foreign corporation) to any person in respect of taxes paid (or deemed paid) by the foreign corporation or by any subsidiary referred to in subsection (a) for its taxable year described in subsection (a)(2).

"(c) CONTROL, ETC.—For purposes of this section—

"(1) A domestic corporation shall be deemed to be in control of a foreign corporation if it owns more than 50 percent of the voting stock of such foreign corporation.

"(2) A corporation shall be treated as a subsidiary of a foreign corporation if the later corporation owns more than 50 percent of the voting stock of such corporation."

(b) TECHNICAL AMENDMENTS.—

(1) The table of sections for such subpart is amended by striking out the last line and inserting in lieu thereof the following:

"Sec. 6038. Information with respect to certain foreign corporations.

"Sec. 6039. Cross references."

(2) Section 902 is amended by adding at the end thereof the following new subsection:

"(d) CROSS REFERENCE.—

"For denial of credit with respect to dividends paid out of accumulated profits for years for which certain information was not furnished, see section 6038(b)."

At the appropriate place in the bill, it is proposed to add the following new sections:

SEC. 6. Section 6046 of the Internal Revenue Code of 1954 is amended to read as follows:

"SEC. 6046. Returns as to creation or organization, or reorganization, of foreign corporations.

"(a) GENERAL RULE.—On or before the 90th day after the creation or organization, or reorganization, of any foreign corporation—

"(1) Each United States citizen or resident who was an officer or director of the corporation at any time within 60 days after the creation or organization, or reorganization thereof, and

"(2) Each United States shareholder of the corporation by or for whom, at any time within 60 days after the creation or organization or reorganization of the corporation, 5 percent or more in value of the stock of the corporation then outstanding was owned directly or indirectly (including, in the case of an individual, stock owned by members of his family),

shall make a return in compliance with the provisions of subsection (b).

"(b) FORM AND CONTENTS OF RETURNS.—The returns required by subsection (a) shall be in such form and shall set forth, in respect of the foreign corporation, such information as the Secretary or his delegate prescribes by forms or regulations as necessary for carrying out the provisions of the income tax laws.

"(c) MEANING OF TERMS.—For the purpose of this section—

"(1) UNITED STATES SHAREHOLDER.—The term 'United States shareholder' includes a citizen or resident of the United States, a domestic corporation, a domestic partnership or an estate or trust (other than an estate or trust the gross income of which under subtitle A includes only income from sources within the United States).

"(2) MEMBERS OF FAMILY.—The family of an individual shall be considered as including only his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants."

SEC. 7. The amendment made by section 6 shall apply only with respect to foreign corporations created or organized, or reorganized, after the date of the enactment of this Act.

TECHNICAL AMENDMENTS DEALING WITH REPORTS

Mr. GORE. Mr. President, some of the most flagrant abuses being practiced today center around the creation, collapsing of corporations, transfer of funds, and other manipulations of foreign subsidiaries of domestic corporations.

Through the use of third country tax havens and other devices, the payment of dividends to the parent company in the United States may be delayed for many years, ordinary income may be converted into capital, and funds may be moved about much as the carnival prestidigitator plays the shell game. The Treasury and the Internal Revenue Service never know under which shell, if any, certain transactions may be found.

In order for the Treasury even to know what is going on—and this does not necessarily mean anything can be done to stop these manipulations as they occur—an improvement in reporting is vital.

I am offering two amendments to accomplish changes in this area. The first amendment adds a new section 6038 in chapter 61 of the Internal Revenue Code of 1954. The new section provides that a domestic corporation which controls a foreign corporation must furnish with respect to that corporation and any controlled foreign subsidiary of that corporation such information as the Secretary of the Treasury prescribes by forms or regulation as necessary to carry out the provisions of the income tax laws. If the domestic corporation fails to furnish the required information for any year, then no foreign tax credit is allowed under section 902 in respect of dividends distributed by the foreign corporation out of profits accumulated during that year. The section applies only where the domestic corporation has more than a 50-percent stock interest in the foreign corporation. Similarly, information is required with respect to a foreign subsidiary of that foreign corporation only if the latter has in turn more than a 50-percent stock interest in its subsidiary.

Under present law, information is available with respect to foreign subsidiaries only for a year in which the domestic parent receives a dividend and it is limited to proof of the credit claimed. If the subsidiary does not distribute a dividend, no information is required. By contrast, the new section 6038 would disallow the foreign tax credit attributable to the profits accumulated during any year for which information was not furnished. Thus, as a practical matter, the domestic corporation must file an information return annually in order to preserve its indirect credit under section 902.

My second amendment deals with the returns required from persons performing services in connection with the creation of foreign corporations. The present provision requires that every attorney, accountant, fiduciary, and so forth, or other person who advises as to the creation of a foreign corporation file a return as provided by the regulations within 30 days after organization of the corporation. While each person must return all the information within his knowledge or control, the regulations provide that an attorney need not furnish any information which he has obtained by virtue of the attorney-client relationship. For this reason, the existing section 6046 has had little if any practical effect. Attorneys contend that the information required is the subject of privileged communication with their clients and those not entitled to claim the privilege contend that they have merely given general advice or performed clerical services and therefore possess no substantive information.

In order to obtain more comprehensive information concerning a greater number of foreign corporate organizations than is available under the present section 6046, the section is amended to require returns relating to the organization of foreign corporations to be made by every citizen or resident of the United States who was an officer or director of the corporation within 60 days after its creation and by every U.S. shareholder of the corporation owning at least 5 percent of its outstanding stock within 60 days following the organization. This amendment eliminates from the section the problem resulting from privileged communications and places the responsibility for returns with those persons who are most likely to have within their possession the information desired.

I am convinced, Mr. President, that officials in the Treasury Department and in the Internal Revenue Service are making every effort to carry out their jobs and to enforce the law. In the case of foreign subsidiaries, however, the Internal Revenue Service does not have the tools which it needs in order to enforce our basic tax laws, inadequate as these laws are with respect to income earned abroad by subsidiaries of domestic corporations. The present system of reporting and filing information returns acts as a blindfold insofar as the Treasury is concerned and as a curtain behind which vast sums of money can be manipulated with no controls whatsoever.

The PRESIDING OFFICER. Without objection, the amendments offered by the Senator from Tennessee will be considered en bloc.

Mr. BYRD of Virginia. Mr. President, I have conferred with representatives of the Treasury Department. The amendments are excellent amendments. The Treasury not only approves of them, but it advocates the amendments. Therefore, as chairman of the committee, I accept the amendments.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Tennessee.

The amendments were agreed to.

COMMUNITY ANTENNA TELEVISION SYSTEMS

Mr. MOSS. Mr. President, about 10 days ago the Senate, by a margin of one vote, recommitted to the Interstate and Foreign Commerce Committee for further study S. 2653, a bill to bring CATV's under Federal regulation. It is my fervent hope, Mr. President, that the committee will launch that study without delay so that appropriate legislation will again be recommended to the Senate at the earliest possible moment. In my judgment such a course is essential if we are to avoid the destruction of local free television service in many areas of the country.

The 2 days of debate we had on S. 2653 were most instructive. A careful study of the debate demonstrates that most of the Senators who participated in it were cognizant of the basic problem present when unregulated CATV's are free to appropriate the television programs of distant station and sell them to persons who are so located that they can be served by cable and who are able to afford the unregulated installation and service charges imposed by CATV operators.

The decisive factor in the opposition of many to the bill as drawn seems to have been that general regulation of CATV's would impose a tremendous burden upon numerous little CATV systems which are not operating in areas where local free television is adversely affected. The

committee will no doubt wish to give serious consideration to amendments designed to eliminate any of the alleged burdens which are not essential to the regulating scheme. In this connection, I hope that the various sections of the CATV industry will be responsible represented and that the committee will not be asked to accept proposed amendments only to find the industry repudiating its spokesmen. I do not believe that the CATV industry should trifle with the Senate or with any committee of the Senate.

When it again considers this matter, the committee would also be well advised to take a searching look at the CATV industry—its economics, its methods of operation and its ownership. Such a study would reveal, perhaps, that some tears have been unnecessarily shed for the little businessmen of the CATV industry.

Reliable and complete statistics as to CATV's are not presently available, and the committee would perform a public service by requesting full information from the industry as to its investments in plants, installation charges, rates, and practices. We do know that individual systems have been sold for as much as $1 million. It is said that a CATV system is generally estimated to be worth from $100 to $300 per subscriber. Thus a system with as few as a hundred subscribers would be worth from $10,000 to $30,000. We do know that in many instances the public is confronted with a choice of paying any charges the CATV system cares to impose or being deprived of television.

We also know from published data and testimony already adduced that some companies operate numerous CATV systems. I am informed, for example, that Jerrold Electronics Corp. has been or is the owner of controlling interest in the following cable companies: Consolidated Television Cable Corp.; Richland Television Corp.; Blue Mountain Television Cable Corp.; Bannock TV, Inc.; Spanish Mountain Television Corp.; Dubuque-Jerrold Television Cable Corp.; Flagstaff Television & Cable Co.; South Jersey Television Cable Co.; Muscle Shoals TV Cable Corp. In addition I understand that Jerrold Electronics Corp. or its subsidiaries, officers, or agents hold or have stock interest in other community antenna companies, as follows:

Ellensburg-Jerrold TV Cable Corp., Ellensburg, Wash., 31 percent.

Montpelier Community TV, Inc., Montpelier, Vt., 27 percent.

Paper City TV Cable Corp., Berlin, N.H., 47 percent.

Tupelo Community Antenna, Inc., Tupelo, Miss., 42 percent.

Uvalde TV Cable Corp., Uvalde, Tex., 31 percent.

Maine TV, Biddeford, Maine, 25 percent.

Tele-ception of Winchester, Inc., Winchester, Ky., 7 percent.

Williamsport TV Cable Corp., Williamsport, Pa., 16 percent.

Clarksburg TV Cable Co., Clarksburg, W. Va., 15 percent.

Fairmont TV Cable Co., Fairmont, W. Va., 10 percent.

Bluefield TV Cable Corp., Bluefield, W. Va., 10 percent.

Municipal TV Corp., Bloomsburg, Pa., 5 percent.

Key West Cable Vision, Inc., Key West, Fla., 20 percent.

Green Mountain TV Corp., Burlington, Vt., 100 percent.

Jerrold Electronics Corp. also is said to own and control Inland Microwave, Inc., which in turn owns and controls Valley Microwave Corp. These corporations are engaged in the business of supplying or transmitting television signals to community antenna operators in the States of Washington, Oregon, Iowa, Alabama, and New Jersey. Jerrold Electronics Corp. supplies equipment necessary to the operation of community antenna systems in approximately 85 percent of all community antenna systems operating in the United States.

Mr. President, there is one thing I wish to make perfectly clear before proceeding further. I am not opposed to cable television. The CATV operators perform a valuable service. There are many people who would be without television if it were not for the CATV industry. The CATV operators have exercised a great deal of initiative and courage; and they have, in the good old-fashioned American way, risked their capital and built a thriving industry. I commend them for this and assure the industry that no one wishes it ill will or harm. There is, however, an overwhelming competing interest—the public interest—and I submit that the public interest cannot be protected with most of the television industry subject to regulation while another portion of the industry—the CATV systems—is free to operate without being subjected to the rules of the game.

Mr. President, I took occasion last year to express to the Senate my fear that if the mild legislation represented by S. 2653 were not quickly enacted, common carrier regulation might well become necessary. I reiterated this thought in the recent debate on S. 2653. Television has become an integral and vital part of our American way of life. As a nationwide method of communications employing scarce frequencies, television is necessarily the subject of Federal regulation. From the outset of television broadcasting this regulatory authority has embraced the local television outlets. Cable systems have become a major form of television distribution in a few short years. I think the committee should now consider whether, since this form of distribution is inherently monopolistic and in many instances the CATV has the power to exact unjust charges for transmission of programs from which it has no right to profit, it would not be appropriate to impose Federal common carrier regulation on the industry.

I am deeply conscious of the sincere and vigorously held views of many that Federal regulation should be held to the minimum and that regulation of local rates should be left to the States whenever feasible. I respect that view, and would not wish to prejudge the committee's determination as to the proper limits of Federal control. It is clear that preservation of our nationwide television system requires as a minimum that the Federal Communications Commission have the authority and responsibility to control program duplication and other CATV practices which unfairly threaten the very existence of free local television. Whether rate regulation should be handled by the Federal Government, the States, or both is a matter which requires intensive further study.

Important as I believe the proposed further study by the committee to be, I would not want it to discourage appropriate regulatory action by the States. The legislatures of the several States should feel entirely free to enact such local common carrier regulations with respect to CATV's as may be necessary or desirable to protect the public against monopolistic practices or abuses.

SUGAR LEGISLATION

Mr. MOSS. Mr. President, with adjournment set for only a little more than a month away, I am very much concerned about the fact that no action has been taken on legislation to extend the life of the Sugar Act for another 4 years. The act expires December 31, 1960.

This body has been awaiting action by the other body on this important measure. But as of today, there has been no announcement by the House Agriculture Committee that hearings have been scheduled. It is my feeling that if the House committee is not going to move, the Senate committee should do so. I understand that the Senate committee shares my anxiety in this matter, realizing that immediate action is essential to permit sound planning on the part of farmers and processors and a stable sugar market.

I am a cosponsor of S. 3361, which would not only extend the Sugar Act for 4 years, but would give domestic sugar beet producers a larger share of the domestic market without granting "unwarranted and unnecessary additional authority" to the President.

In proposing the enactment of S. 3361, I shall show that it is in close accord with the fundamental philosophy of our sugar legislation. It is not a new bolt out of the blue. It is not something alien to development of sugar legislation over the past quarter of a century. It is not a spur of the moment proposal designed to punish one country nor any people. It is instead, realistic recognition that circumstances do change with time, in sugar as well as for other commodities. Legislation on such a matter as sugar quotas can remain viable only if it adjusts, or is adjusted from time to time to changing fundamental trends and circumstances.

By common appraisal, our sugar legislation has been successful. It has been what we call good legislation. It has accomplished its purpose without undue notice, without arousing any considerable hostility. It has been able to do this because the Sugar Act itself has undergone modification with time and changing circumstances.

A primary purpose of the Sugar Act is to assure dependable supplies of this vital product, at reasonable prices, for American consumers. There are many instances in history that demonstrate the necessity of this product to the general well-being of mankind. In my own State of Utah has been written one of the most colorful chapters in the dramatic saga of sugar. This chapter was written more than 100 years ago.

Students of the West will recall that in the early 1850's a courageous group of Mormons under the leadership of Brigham Young were establishing a new life in the broad valleys of Utah. Separated from the rest of America by vast distances, these pioneers were by necessity obliged to make themselves self-sufficient to the fullest degree that human effort, guided by divine inspiration, could achieve. Certain scarce items necessary for sustaining life, which were not or could not be produced in those western valleys, had to be hauled across the plains at great effort and often at great cost. The energy food, sugar, for example, cost $1 a pound in Utah in those early days. Yet sugar then, as now, was in great demand as a necessary food.

And so it was indeed with much more than academic interest that the Mormon leaders in Utah read the reports from their European missionaries about the thriving beet sugar industry on the continent of Europe. The Europeans had discovered years before that the sugar beet not only was a great source of sugar, but also that its cultivation had a salutary effect on the improvement of the general agriculture wherever it was grown. Those reports inspired the Utah leaders to direct one of their members, John Taylor, who was in England at the time, to go to France and study the beet sugar industry there and to purchase machinery for the processing of sugar beets in Utah.

The machinery was carried by ship from France across the waters to New Orleans. There is was loaded on to barges and carried up the Mississippi to St. Louis and thence up the Missouri to Fort Leavenworth, Kans. Again the tons and tons of equipment were transferred to another means of conveyance—covered wagons. Drawn by 52 teams of oxen, those wagons then began the long trek through the wilderness to Utah.

The hardships and the labors and the frustrations endured by that heavily laden caravan struggling across the plains and through the mountains would make a story alone. And so would the painstaking efforts of putting the foreign machinery together and attempting to make it function. A monument to this heroic effort today stands in the heart of a community on the southern edge of Salt Lake City known as "Sugar House."

The lack of certain essential pieces of equipment and the lack of technical knowledge about the intricacies of extracting and crystallizing the sugar found in sugar beets prevented the success of this first valiant effort to establish the beet sugar industry in Utah. Undaunted, though, those sturdy pioneers persisted—and in 1891 the first successful beet sugar factory in the State was established at Lehi. This was the first such factory in the United States to be built entirely of American equipment constructed by American workmen. Continuously since then, the beet sugar industry has filled an important place in the agricultural and industrial life of Utah.

The industry in Utah and throughout the West has, of course, made great strides since those early pioneering days. Beet sugar is the predominant sugar throughout the West. The production from nearly 37,000 acres in Utah this year will be processed into a quantity of unexcelled sugar that will supply the needs of nearly one and three-quarters million Americans for a full calendar year. In addition, in the salubrious climate of the southern part of Utah, farmers will produce a million pounds of a remarkable sugar beet seed—nearly 10 percent of all the sugar beet seed used by growers in 22 States.

The U.S. beet sugar industry has shown its resiliency to adapt itself to changing conditions. The Sugar Act, which regulates the marketing and production of sugar in the United States, has met the stringent tests of time—for more than a quarter century—because, as I pointed out earlier, it also has been adapted by the Congress to fit the changing needs of changing conditions. This we must remember as we consider the sugar legislation which must be considered by the Senate in the remaining days of this session.

A review of our Nation's sugar legislation shows that although sugar tariffs had been in existence almost every year since the beginning of our Republic, the first genuinely comprehensive sugar law enacted by Congress was the Jones-Costigan Act of 1934. That act provided for a processing tax on sugar and empowered the Secretary of Agriculture to estimate consumption needs for each calendar year and to allocate marketing quotas accordingly, to the various producing areas, both foreign and domestic.

You will recall that benefit payments and the taxes on sugar under this act were declared unconstitutional in 1936; the quota provisions nevertheless had proven so basically sound that they were continued in effect by the Secretary of Agriculture and extended by a joint resolution of Congress.

Next came the Sugar Act of 1937, which continued the power of the Secretary of Agriculture to fix quotas with 55.59 percent of the total—but not less than 3,715,000 short tons—allocated to domestic areas and 44.41 percent to foreign areas. Of the domestic total, beet sugar received a 41.72-percent share and mainland cane sugar 11.31 percent. Of the foreign total, Cuba received a 64.41-percent share.

Then came a period of wartime scarcity during much of which time, though the act was extended, quotas were suspended. They were again made effective for the year 1948 by the Sugar Act of 1948. The new act differed from the previous 1937 act, as amended, by establishment of fixed tonnages instead of percentage quotas for domestic areas. The Philippine quota also was fixed for certain years. Standards were revised for setting annual consumption estimates. The quotas for other foreign countries were determined by prorating the consumption estimate, minus the specific quotas mentioned, in the proportion of 98.64 percent for Cuba and 1.36 percent to full duty countries. Thus we accorded to Cuba the prize of supplying nearly all of the potential growth in sugar consumption here. This was done deliberately as a means of assisting Cuba in making a gradual rather than sudden reduction, during the immediate postwar years, from her wartime levels of sugar production to the market needs of peacetime.

By 1956, in extending and amending the Sugar Act of 1948, we found it equitable to restore the historic right of domestic areas to share in supplying increased consumption of sugar in the United States. In general, 55 percent of any excess in the estimate of consumption over the approximate consumption figure of early 1956 has been allotted to the domestic areas; 45 percent to Cuba and the full-duty countries. Though this represented some change in Cuba's temporary postwar position in our market, she has, since 1957, retained roughly 30-percent participation in our sugar consumption growth.

So much for what, in brief, has been our history of sugar legislation. What of the future? What adjustments and changes are called for to meet existing and near-term conditions? We are now squarely up against the problem of what to do about our sugar quotas. We must make adjustments of a modernizing sort. It is clearer now than it was in 1956 that we need more sugar to supply our increasing population. It is more clearly evident now than it was then that our mainland farmers are prepared to supply more sugar, both beet and cane sugar. They not only have the production facilities available for additional production; they are requesting, as a matter of equity, but not greedy increase in basic quotas allocated to them.

S. 3361 would amend 202(a)(1) of the 1948 act, to increase the annual basic beet sugar quota from 1,800,000 tons to 1,950,000 tons and the mainland cane sugar quota from 500,000 tons to 550,000 tons. These proposed increases for beet and mainland cane sugar should be regarded as minimums. Actually, in very recent years, largely because of population increase, our needs have expanded by about 150,000 tons per year. For 1960 we have allotted for planting 75,000 more acres in sugar beets than in 1959. So, it may well be that the basic quota increases proposed in S. 3361 are not only a minimum but actually too low. In considerable part they are only to compensate domestic producers for giving up their rights to possible future Puerto Rican deficits. During the past 3 years the mainland cane quota has on the average received 40,000 tons and the beet quota has received 130,000 tons through reallocations from Puerto Rico.

Section 2(a) of S. 3361 sets up, step by step, the order of priorities for areas and countries in filling any deficits,

should any area or country be unable to market the quota or proration set for it. These provisions are necessary as administrative guidelines, but I assume we need not take them up one by one here today. There are some other minor points which I have passed over. Two major points remain.

Most of us now recognize, reluctantly, that there is currently widespread instability in our near neighbor and long-time major supplier of cane sugar—Cuba. This seriously jeopardizes about one-third of our annual requirements. That is a very big and vitally necessary share of the total. I shall not today discuss this problem in detail. It is enough, perhaps, to say that the act, as we extend and amend it, must provide the power to act swiftly if sudden and unexpected events imperil the assurance of supplies for our consumers.

We recognize that the President has the constitutional responsibility of conducting our foreign relations. The administration requested, and some of the bills which have been introduced provide, power for the President to cut a foreign sugar quota at any time in the national interest or to assure supplies for American consumers.

Although we recognize that point of view as having merit, some of us, for good constitutional and legislative reasons, hold that if Congress is in session, the President should submit his findings and recommendations to Congress for appropriate action. Hence, by section 3 of S. 3361, section 408 of the act would be amended; a new subsection (b) would provide that quotas for any calendar year, for any foreign country—other than the Republic of the Philippines—may be reduced upon a finding by the President that such action is necessary in the national interest, or to insure adequate supplies of sugar. If Congress is not in session, the publication of the President's proclamation in the Federal Register would be required. If Congress is in session, Congress is to be notified of the findings and President's recommendations for implementing such findings, together with a request for appropriate action. These alternative procedures would appear to take care of possible contingencies adequately.

The bill provides that under either alternative, the Secretary of Agriculture would be authorized to obtain replacement sugar from other foreign sources, if a reduction in any foreign quota should be of such size that replacement would be required.

S. 3361 also would extend the act, as amended, for the usual extension period of 4 years. This has distinct advantages over an extension of only 1 year, as some have proposed. If extended for only 1 year, the domestic industry, and foreign producers would continue under great uncertainties, whereas what is needed is adjustment accompanied by a high degree of certainty.

The sugar program has worked remarkably well over the years. It has been modernized from time to time. It has brought a degree of healthy stability to a great industry that had been previously plagued by more than its share of business uncertainties, because of alternating periods of overabundance and scarcity in world supply. The dependability of supplies and the diminishing of wide and sudden fluctuations in prices achieved under the program have likewise been of tremendous benefit to the American sugar consumer.

We are faced now with the necessity of again extending and modernizing the law. S. 3361 is designed to provide a program of adjustment to existing realities. I am confident that this proposal will permit the domestic sugar industry to continue its steady march forward and that the amended law will continue to provide the American sugar consumer the dependable supplies and reasonable prices he has come rightly to expect and has fully enjoyed under the U.S. sugar program. And yet by enacting S. 3361 we will not be closing our eyes to the volatile situation in the Caribbean; we will, instead, be providing our Government with the flexibility it urgently needs to deal with unpredictable and potentially dangerous possibilities.

CONSERVATION OF UTAH'S WATER RESOURCES

Mr. MOSS. Mr. President, in addressing the Senate on previous occasions, I have emphasized the very great population increase that is taking place in my State of Utah, and the consequent increased use of Utah resources. Reliable estimates forecast that there will be at least a 50-percent increase in Utah's population by 1980, and that by the year 2000 we should expect a good deal more than twice as many people as we now have in the State.

This growth is a source of satisfaction and pride to us. We feel that it measures our well-being and prosperity. We believe also that in a very real sense, it is a measure of the contribution that we make to the growth and prosperity of the Nation and to sustaining the position of the United States in foreign relations.

There is, of course, another aspect to this growth, that is, the demands that it makes on natural resources. Utah is blessed with a great variety of natural resources and they are the foundation of our economic development. The use of our soil, our minerals, and our forests is the economic base on which we have built a sound structure of processing and manufacturing industries. Utah's natural resource wealth is the key to the future well-being of the enlarged population that is forecast for our State.

One essential natural resource, however, is limited and its use must be guided by the most careful conservation principles. Water is the main focus of our attention because it is so critical to community development as well as to economic growth. In Utah, perhaps to a greater degree than in almost any other area of the continent, we concentrate on conservative water management.

We are now at the threshold of major advances in the conservation of Utah's water resources. The Colorado River storage project offers the opportunity to aline water supplies with water requirements in the State's growing population and economy. Mainstem dams and reservoirs will make usable the great floods that now waste away unused. Utah and the other States of the upper basin have a new horizon of development as a result of water conservation by the storage project reservoirs. At another time, I hope to discuss more fully how the water conservation that is accomplished by the project reservoirs will provide a basis for economic development of the region.

In another way, also, the Colorado River storage project will make possible important water conservation results. By this I refer to the fact that project power can be a means for increasing the usefulness of Utah's limited water resources. Electric power generated at the large and efficient project plants as an incident of their storage and river regulation functions can replace other power that involves wasteful dissipation of water needed for consumptive uses.

In past years, before the present intensive development of Utah, electric-power requirements were supplied in many localities by hydroelectric plants located on streams flowing into the Great Basin. At the time when these plants were built, they represented an efficient use of resources; and, even now, many of them provide low-cost generation—that is, they are low cost in monetary terms. Regrettably, however, many of these plants are generating electricity by passing water that would be far more valuable to the State and the Nation if it were stored for higher uses. Much of the water that is passed through the turbines of these plants will be urgently needed for human, agricultural, and industrial purposes; and it would be desirable to conserve it for those uses. With the continuing and greatly accelerated growth of the State, we must find the means for accomplishing such conservation objectives.

It is my earnest hope—one shared by many of my fellow citizens—that in time the low-cost power generated by the Colorado River storage project dams will replace the power from these older plants on the tributary streams. This would make it possible to store the flows of the tributary streams, so that they could be utilized for beneficial consumptive requirements.

Of course, there are many engineering and economic details that will need to be worked out in a program to conserve water by replacing wasteful generation on the tributaries of the Great Basin with energy from the Colorado storage project. Those who study these problems encourage me to believe that such substitution may be practical, and that it can result in substantial water saving without adversely affecting the present users of the small plants that would be retired. In fact, I have heard an estimate that the water savings that might be made possible by this means may be of the order of 1 million acre-feet.

Essential to this effort is the availability of Utah's full share of the project power at the lowest cost that is consistent with repayment of the Government's investment in the project, including the participating irrigation projects that, by the authorizing legislation, are

an integral part of the project's financial structure. It is for this reason that very close attention is now being given in Utah to the arrangements for marketing project power and the terms and conditions of its delivery to preference users.

Over 200,000 people in Utah are now served by the preference customers, including 4 rural electrification cooperatives and 35 municipally owned and operated systems. The present requirements of the preference customer group amount to more than 100,000 kilowatts, and it is forecast that by 1980 they will amount to more than 280,000 kilowatts.

In a recent letter to the Secretary of the Interior, I expressed the gratification felt in my State over the Department's announcement of the power marketing program and the proposal to take the first steps toward construction of a transmission system to bring the power to load centers. This announcement is in the form of a press release; and I ask unanimous consent that the release be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MOSS. Mr. President, I also ask unanimous consent to have printed in the RECORD, immediately following my remarks, my letter to Secretary Seaton.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. MOSS. Mr. President, my letter requests Secretary Seaton's comments on apparent discrepancies between the Department's announcement of the proposed transmission system and the principles that were announced earlier this year by the Department. Those principles seem to be designed to give proper recognition to the power needs of preference customers and at the same time to assure revenues adequate for project payout, including the financial assistance to participating irrigation projects. It is deeply troubling to detect what seems to be a departure from those objectives, as revealed in the latest power marketing proposal. Among other damaging effects, this divergence from the principles might defeat the program to conserve water that I discussed in the earlier part of this statement. Naturally, this is of great concern in my State.

In order to provide full information on the matter, I ask unanimous consent to have printed in the RECORD as a final exhibit, following this statement, the January 19, 1960, letter of the Bureau of Reclamation announcing the principles which would govern distribution of Colorado River storage project power.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. MOSS. Mr. President, in this statement I have highlighted some of the more urgent current problems of concern to my State. I expect to follow up in whatever way may be necessary to effect an equitable solution that will contribute to full and conservative use of resources. This objective is absolutely essential to the present and future development of Utah.

EXHIBIT 1

COLORADO RIVER STORAGE PROJECT POWER MARKETING AREA AND CRITERIA ANNOUNCED

The marketing area within which the hydroelectric power to be generated at multipurpose dams of the Colorado River storage project will be sold and utilized and the criteria under which the power will be sold were approved and announced today by Secretary of the Interior Fred A. Seaton.

Secretary Seaton also approved use of the transmission system shown on the attached map as the basis for the establishment of rate schedules for project power and as a yardstick to evaluate proposals for wheeling the power over existing or proposed extensions of private utility lines.

Construction of transmission lines to the south of Glen Canyon would be dependent upon receipt of specific assurances that power sold there could be withdrawn under the criteria to meet future power needs in the upper or northern division.

The marketing area as established will be divided into two divisions:

Northern division to consist of the States of Colorado, New Mexico, Utah, and Wyoming.

Southern division to consist of State of Arizona, that part of the State of Nevada in Clark, Lincoln, and Nye Counties, which comprise the southern portion of the State, and that part of the State of California east of the 115th degree of longitude or generally the area contiguous to the Colorado River.

The basic principles approved as broad guidelines for the marketing of power within the market area are:

1. Preference customer requirements will be filled first and any power in excess of those needs will be sold to nonpreference customers by short-term contracts. Firm power in this latter category will be first offered to nonpreference customers in the northern division.

2. Initially preference customer allotments in the northern division, to the extent project power is available, be sufficient to serve their 1965 net requirements, as determined by the Secretary of the Interior.

3. Project production through 1965 not required by preference customers in the northern division to be allotted to serve preference customer loads in the southern division.

4. At appropriate intervals, but not to exceed 2 years and beginning with July 1, 1963, the Secretary reappraise the requirements for firm power and energy of preference customers in the northern division and, to the extent power becomes available, make additional allotments to satisfy their requirements. Power for this purpose to be obtained from the following sources in order of priority:

(a) Sale of available unsold energy.

(b) Recapture after reasonable notice of firm power and energy under contract to nonpreference customers.

(c) Recapture after reasonable notice of firm power and energy under contract to preference customers in the southern division; provided, that recapture of firm power and energy initially sold to preference customers in the southern division to cease when remaining commitments of firm power and energy to the southern division have been reduced to amounts not exceeding approximately 7 percent of project capability during the winter months and 20 percent of project capability during the summer months. Project capability is defined for this purpose as the dependable capacity (reduced by transmission losses to delivery points) of storage project powerplants as determined from reservoir elevations. The winter maximum of approximately 7 percent be adjusted downward and the summer maximum of approximately 20 percent to be adjusted upward as the difference between the summer and winter peak loads of the northern division may indicate.

Prior to initiation of construction of transmission lines into the southern division, or in the alternative, of arrangements for delivery of power to customers in that division by other means, specific assurances shall be obtained from prospective customers in the southern division that the principle of recapture set out above will be applicable to allotments to, and contracts for, the sale of power to such customers.

5. Project power is not to be sold to a preference customer for sale or exchange to a nonpreference customer for resale.

6. Delivery of power will be made at the voltage of the project transmission system, i.e., 230 and/or 138 kilovolts, 115 kilovolts, except that deliveries of power may be made at lower transmission voltages at those delivery points at the powerplants to customers already having a lower voltage level established for their system at the point of delivery.

7. Delivery of power to customers be made at the identified delivery points, or at such others as may be finally established by the Secretary. All costs for delivery of power beyond such delivery points to be borne by the customers.

Secretary Seaton stressed that the marketing of power in the southern area under the safeguard of withdrawal when needed to meet growing loads in the northern area will be of great economic advantage to the project. The diversity in peak loads as between the southern area and the northern area will enable the Government to market a greater amount of Glen Canyon firm power than would be possible if power were marketed in the northern area only.

He also pointed out that further consideration would be given to the transmission line requirements from Glen Canyon to the Sigurd, Utah, area. Proposals have been made by preference customer groups to provide service to this area by construction of the additional necessary facilities. Later consideration will determine the practicability of such proposals. In the event they prove impractical, the project system would be modified to include service to that area.

Determination of the firm power supply will be based on the average (1906–59) generation augmented by purchase of off-peak energy during years of less than average flow.

Secretary Seaton acted on recommendations of Commissioner of Reclamation Floyd E. Dominy. These were approved Tuesday, May 17, by Acting Secretary Elmer F. Bennett. Commissioner Dominy also pointed out that a number of technical aspects of operational advantage would accrue by reason of the necessary interconnection between the Federal power producing plants of the Colorado River storage project and the Federal hydroelectric projects in the lower Colorado River Basin.

Commissioner Dominy added that the Secretary's approval cleared the way for the Bureau of Reclamation to complete studies necessary to determine power rates and also its analysis of transmission line construction proposals by private utilities in the area. He said that applications to purchase power would be invited from the preference customers at a later date following determination of power rates.

Authorizing legislation for the Colorado River storage project was passed by the Congress and signed into law by President Eisenhower in 1956. The storage project includes four major storage dams and reservoirs, of which three will have hydroelectric

plants. They are: Glen Canyon Dam, on the Colorado River in northern Arizona, started in 1956, first power anticipated to be available in 1964, ultimate installed capacity, 900,000 kilowatts; Flaming Gorge, on the Green River in northern Utah, started in 1957, first power anticipated to be available in 1963 ultimate installed capacity 108,000 kilowatts; Curecanti Unit, consisting of a series of dams on the Gunnison River in Colorado, funds to initiate construction requested in 1961 fiscal year budget, total installed capacity estimated at about 160,000 kilowatts.

A map showing the proposed transmission system is attached.

EXHIBIT 2

MAY 31, 1960.

Hon. FRED A. SEATON,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: It was gratifying to receive notice of your determination of the marketing area for Colorado River storage project power. This action provides the basis on which power users can proceed with plans for securing the power supplies that are urgently needed in Utah and the other States in the basin.

Commendable also is the proposal to start construction of the CRSP transmission system. With the current progress on the reservoirs and powerplants, it is essential that transmission system construction move ahead promptly so that the power can be marketed at the earliest practical moment.

Certain aspects of the marketing arrangements, however, are not clear to me and I will appreciate your views on the following matters.

In January, the Department announced five principles governing plans for the CRSP transmission system. These principles, as I understand them, provide that the system shall have sufficient capacity to deliver project power to preference customers, that it will provide for integration of the CRSP powerplants with other Federal generation, that charges for marketing will not adversely affect project feasibility, payout, and assistance to irrigation, and that delivery arrangements shall be comparable with those on other Federal systems.

A first question, therefore, is how the Department reconciles those principles with the fact that the proposed transmission system does not include a direct connection northward from the Glen Canyon powerplant to serve the many preference customers in the central portion of the State between the Glen Canyon powerplant and Heber. This question is all the more troubling in view of the proposal of the Utah Power & Light Co. to charge 1.55 mills per kilowatt-hour for wheeling project power. That proposal, furthermore, is conditioned on delivery at 138,000 volts which, according to my information, is less advantageous to preference customers than the lower voltages provided under the delivery arrangements in effect on other Federal systems.

Other questions have to do with the relation to project finances. Testimony by representatives of the preference users points out that with CRSP power delivered at 6 mills per kilowatt-hour, an all-Federal system would produce over $1 billion assistance to irrigation, but that this assistance would be reduced by $637 million if charges must be paid wheeling over non-Federal lines. Again this raises the question of reconciling the Department's January principles with the omission of lines through central and southern Utah.

I will appreciate receiving your clarification and comments on these matters.

Sincerely yours,

FRANK E. MOSS,
U.S. Senator.

EXHIBIT 3

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
REGIONAL OFFICE, REGION 4,
Salt Lake City, Utah, January 19, 1960.

Mr. K. M. NAUGHTON,
President and General Manager, Utah Power & Light Co., Salt Lake City, Utah.

DEAR MR. NAUGHTON: Your letter of September 29 presented to us efficiently the preliminary plan for transmission lines proposed by the five named public utilities. You are aware of the several meetings and discussions that have been held among interested parties subsequent to your letter of September 29 and your presentation of October 1. I am sure that you are also aware of the studies currently being made cooperatively among the public service companies, the Bureau of Reclamation, and the preference customer groups. We feel the studies now underway are particularly important and pertinent as they are aimed at determining the appropriate transmission system which should be constructed regardless of who might construct any portion thereof.

We will continue to give the proposal of the five utilities careful consideration. In doing this we will consider the proposal in the light of our usual policy and practice as well as the full context of the pertinent statements contained in congressional committee reports, such as House Document No. 1087, 84th Congress. The latter contains the following:

"Their [the utilities] proposal provides essentially that the Secretary construct the backbone transmission lines connecting major powerplants of the project and that use be made of the existing systems of the companies and additions thereto to market the power.

"The proposal is consistent with the policy expressed by the Congress for many years in appropriation acts and elsewhere whereby the Federal Government builds the basic backbone transmission system and distribution is made through existing systems where satisfactory arrangements can be worked out.

"Therefore, the committee expects the proposal by the private power companies for cooperation in the development to be carefully considered by the Department of the Interior and the electric power and energy of the project to be marketed, so far as possible, through the facilities of the electric utilities operating in the area, provided, of course, that the power preference laws are complied with and project repayment and consumer power rates are not adversely affected."

The observations of the committee parallel the longstanding policy of the Department which has been to construct the backbone transmission lines while utilizing to the extent practicable the lines of others for marketing. This approach has been followed many times to the advantage of all concerned.

While the present proposal would involve the utilities in the construction of backbone lines, and we perceive a number of technical and economic problems in this phase of the proposal, we do not believe that this fact alone should disqualify the plan from further consideration in the light of the overriding legal and policy considerations heretofore noted. These considerations require the evaluation of the proposal under the following principles:

1. Lines must be of sufficient capacity to assure delivery of available power.

2. There must be no interference with the ability of the Bureau to serve preference customers to the extent they would be served by federally constructed lines.

3. Backbone lines must provide suitable integration among Federal project power facilities at the time required to meet project objectives, and project use must at all times be the overriding consideration.

4. Charges made for delivery of power must not adversely affect project feasibility and payout, and particularly must be such as not to reduce quantity or timing of irrigation assistance.

5. If utilities construct the backbone high-voltage transmission lines, they must accept also the responsibility of providing transmission for delivery at lower voltages to load centers of preference customers to the same extent as would prevail under a federally constructed system.

The first three of the foregoing stated principles are basically technical in nature, although there is a relationship between principle 2 and principle 5. Principle 4 is necessary to satisfy project feasibility in all of its ramifications. Principle 5 has in it an element of feasibility as well as assurance of full compliance with preference customer laws. We would be glad to discuss the full application, meaning, and understanding of these principles with representatives of the utilities and the preference customers, States, and others at an early opportunity, if you believe such discussion to be desirable.

Sincerely yours,

E. O. LARSON,
Regional Director.

Mr. KUCHEL obtained the floor.

Mr. PROXMIRE. Mr. President——

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may yield to the Senator from Wisconsin [Mr. PROXMIRE], who wishes to speak briefly and to request that certain matters be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. I thank the Senator from California.

GENEVA TEST BAN CONFERENCE MUST NOT BE VICTIM OF SUMMIT FAILURE

Mr. PROXMIRE. Mr. President, the Geneva conference on suspending nuclear tests, one of the world's great hopes for peace, must not become a casualty of the summit explosion.

Fortunately for the hopes of the world, there are indications that the Geneva negotiations are continuing to progress in spite of the summit collapse. The delegates from the United States, Great Britain, and the U.S.S.R., reconvening after a 2-week recess, avoided recriminations, bluster, and other possible echoes from Paris, and got right back to work at the hard task of assembling a workable inspection system which will provide safeguards against concealed testing.

According to the New York Times, the British delegate, Sir Michael Wright, described the meeting, which was the 206th session in the 19-month-long negotiations, as "a businesslike meeting in a noncontroversial atmosphere," while Semyon K. Tsarapkin, the Soviet negotiator, termed the atmosphere of the meeting "as usual."

The main topic under discussion was the recently announced $55 million U.S. seismological research program involving nuclear blasts to sharpen underground detection apparatus, which has been named "Project Vela." Tsarapkin asked for guarantees and safeguards that nuclear explosions set off under Project

Vela would not serve in weapons development. He also asked that effective controls for a test ban be found, and called on the United States to make proposals in this direction.

The New York Times noted:

The Soviet negotiator put the request in such a way, however, that he seemed to be asking for no more than the normal guarantees that both sides would expect of each other to assure that all undertakings were observed.

Coming on the heels of the bluster and tough talk that has so alarmed the peaceful peoples of the world, these signs of reasonable discussion and negotiation are profoundly welcome. Here in Washington we have a responsibility to assure our spokesmen, led by our highly skilled principal delegate, James J. Wadsworth, that we support their efforts to overcome the remaining obstacles which stand in the way of an effective treaty.

The New York Times for May 28 reports that President Eisenhower has already emphasized that nuclear explosions connected with Project Vela "would have nothing to do with weapons development." This assurance is clearly fundamental to maintaining the step-by-step progress that has been made at the Geneva talks.

In this connection, I wish to emphasize the portion of the President's speech to the Nation on May 25, in which he discussed our responsibility to pursue the cause of peace. Here is what the President said:

Concerning the second part of our policy—relations with the Soviets—we and all the world realize, despite our recent disappointment, that progress toward the goal of mutual understanding, easing the cause of tensions, and reduction of armaments is as necessary as ever.

We shall continue these peaceful efforts, including participation in the existing negotiations with the Soviet Union. In these negotiations we have made some progress. We are prepared to preserve and build on it. The allied Paris communique and my own statement on returning to the United States should have made this abundantly clear to the Soviet Government.

We conduct these negotiations not on the basis of surface harmony nor are we deterred by bad deportment. We approached them as a careful search for common interests between the Western allies and the Soviet Union on specific problems.

I have in mind, particularly, the nuclear test and disarmament negotiations. We shall not back away, on account of recent events, from the efforts or commitments that we have undertaken.

Nor shall we relax our search for new means of reducing the risk of war by miscalculation, and of achieving verifiable arms control.

These are fine words, and I have every hope that we shall continue to give them their full meaning in the difficult weeks ahead. We shall need every ounce of patience and perseverence at our command if we are to succeed in the great task of achieving a test ban, which is the fundamental basis on which all future efforts toward meaningful disarmament must rest.

Mr. President, the Wall Street Journal recently published a fine, well-informed article on the subject of seismological, or earthquake, research and how it relates to the policing of a possible nuclear-test ban. The reporter, Mr. Jerry E. Bishop, has done a masterful job in gathering information from Government and private earthquake experts, in describing the crucial warning activities which earthquake report centers now carry on, and in relating this to the research that needs to be done under Project Vela.

One dramatic example of earthquake warning received publicity last week, when scientists spotted tidal waves heading for Hawaii as long as 6 hours before they struck, as the distinguished Senator from Hawaii recently said. This gave residents of lowland areas time to flee to higher ground, thus saving countless thousands of lives, although many lives were lost.

The latter part of Mr. Bishop's article gives the most complete description of Project Vela that I have seen. It also records the views and opinions of key scientists on the feasibility of achieving a sufficiently policed test ban.

In order to bring this comprehensive, well-written article to the attention of the Senate, I ask that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, May 26, 1960]

BOMBS AND QUAKES: EARTHQUAKE SCIENTISTS PREPARE FOR NEW TASK: POLICING NUCLEAR BAN—THEY STUDY DIFFERENCES IN SHOCK WAVES, PLAN TO PUT SEISMOGRAPH UNDER OCEAN—RECORDING CHILE'S QUAKES

(By Jerry E. Bishop)

An obscure sector of science, seismology, is suddenly being blasted into world attention.

In the next several hours, as it has been doing for the past several days, it could play a lifesaving role: Detecting within moments the earthquakes that continue to rock southern Chile, and flashing tidal wave warnings to Hawaiians, Japanese, and other populations at the edge of the Pacific Ocean.

In the next several months, it will be concentrating on a very different life-and-death matter: Seismic experiments which may become the key to whether there will ever be an international ban on testing man's own version of the earthquake, the nuclear bomb.

This week seismologists scattered in such places as Huancayo, Peru; Sitka, Alaska; and Pasadena, Calif., were suddenly alerted by a clanging bell attached to their seismographs. The bell indicated that Chile, already suffering from three distinct quakes, had been hit by a fourth which had sent shock waves reverberating through the earth so powerfully that their delicate scientific tools had been knocked out of commission. Word was flashed to the Pacific Earthquake Report Center, run by the U.S. Coast and Geodetic Survey, in Ewa, Hawaii. A sea wave advisory was almost immediately issued, telling Hawaiians to listen to their radios. Six hours later the sea wave had definitely been spotted by a network of tide stations—notably the one in Valparaiso, Chile—and a warning was broadcast for Hawaiians to head for high land. Six hours after that the tidal wave smashed through Hilo and other areas, with enormous property destruction.

LIVES SAVED

"If no one had paid attention to our warning, the death toll would have been tremendous," says Lt. G. E. Haraden, head of the Honolulu Magnetic Observatory's Sea Wave Warning Service. As it was, nearly three score who missed or ignored the warning are dead or missing. Some 200 were lost in Japan and Okinawa, though messages of the coming peril were dispatched there.

Today, and for the next several days, the seismologists will keep eyes glued to seismographs for signs of further disasters. Even yesterday, 5 days after the first quake in Chile, upheavals in the area were continuing. Seismographs in Washington, D.C., and near New York City, for instance, yesterday recorded further quakes in Chile.

This dramatic use of seismology, fortunately, is rare. It does, however, illustrate the workings of seismology and one of its most important uses. In the next few months, Americans are destined to hear even more about this obscure offshoot of geophysics, the study of the earth.

DETECTING NUCLEAR BLASTS

Because seismologists are experts in detecting and studying subterranean shock waves they are being asked to put their earthquake knowledge to work on the problem of detecting hidden, underground nuclear explosions. These are the explosions that might be used to cheat on an international ban on testing of nuclear weapons. Unless these underground explosions can be detected, it would be almost impossible to police such a ban.

Negotiations between the Russians, British and Americans are now going on in Geneva in an attempt to reach an agreement banning atom weapons tests, and to work out a scheme for detection of violations.

While there are some reports these talks are close to the same fate as the summit meeting, U.S. atomic officials are not so pessimistic. "The Russians seem to want a test ban pretty badly and I don't think they want to see the talks collapse," says one official.

President Eisenhower last night said, "We shall continue these peaceful efforts." In his radio and TV report to the Nation on the summit failure he mentioned the nuclear test negotiations, stating that "we will not back away, on account of recent events, from the efforts or commitments that we have undertaken," indicating the United States is still sticking to its proposal for a ban on large atomic weapons blasts.

Knowing the increasing importance of atomic blast detection, whether or not there is an agreement with the Reds, the United States is launching a hurried-up seismological research program into both atomic explosions and earthquakes in an effort to improve the detection of underground nuclear blasts. Its aim will be to check new theories on how to distinguish from afar between quakes and explosions. This inability to tell the two apart is now the main obstacle in the way of finding a foolproof method of spotting underground nuclear blasts.

PROJECT VELA

Details of this research program, going under the code name of Project Vela, have not been disclosed. But the program is believed to be stacking up like this:

Late this fall, the United States expects to begin setting off a series of at least six underground nuclear explosions, several of them in Nevada. They'll range from a blast equal to about 20,000 tons of TNT, the power of the Hiroshima bomb, down to one equal to 250 tons of TNT, the power of some modern nuclear rocket warheads.

Seismologists based as far as several thousand miles away will be measuring shock waves sent reverberating through the earth by the blasts. Already a big experimental station for detecting underground blasts is being built at Fort Sill, Okla.

There and elsewhere, the basic instrument still will be the seismograph, the same device used to measure and locate earthquakes. The ardent hope will be to single out peculiarities in the shock waves that will identify the source beyond all doubt as an explosion,

not a quake. And improvements in detection methods and equipment are breeding some cautious optimism, despite heavy stress given detection difficulties in recent congressional hearings.

"We have some pretty good ideas that several new methods would help in detection," says Dr. Jack Oliver, seismologist at Columbia University's Lamont Geological Observatory, "but we haven't had a chance to test them out with explosions."

SEISMOGRAPHS GO UNDERGROUND

To get around the problem raised by seismic background noise from storms and ocean waves, detection experts have designed slim seismographs that can be dropped down into deep, abandoned oil wells, thousands of feet below ground level. With their instruments thus unconfused, seismologists hope to pick out the characteristic but differing patterns made by the first shock waves from explosions and quakes. Experiments with dynamite and underground nuclear explosions have shown that these differences exist. But the evidence of the differences is so unclear that scientists feel they must probe further to find a reliable procedure for distinguishing earthquakes from explosions. With the seismographs above ground, for example, at least one of the distinctions in these patterns is ordinarily drowned out by background noise.

At Columbia's Lamont Observatory, researchers have developed a seismograph to be put to work at another quiet spot—the ocean bottom. The device has had only brief tests so far. If it works, it will yield an important dividend. The logical place to hide a nuclear blast, naturally, is in an area of frequent earthquakes, and for Russia that happens to be along Siberia's Pacific coast; to surround that area properly with detection stations, some seismographs would have to go to sea.

One of the most promising new sleuths, according to several detection authorities, is another Lamont-developed seismograph that records long shock waves moving through the earth's crust—shock waves that take at least 10 seconds and as long as several minutes to pass a point; most seismographs record only waves passing by in a fraction of a second or so.

There's some evidence, Dr. Oliver reports, that the later long waves from an explosion, as well as the brief first waves, may show a pattern different from those created by a quake. Ordinarily, unless disturbed by a seismic event, a seismograph inscribes a straight line on a piece of paper. Earthquakes produce fluctuations in the line, but various seismographs around a quake area may show different patterns—some of them mountain peaks above the normal line, others valleys below it. By present theory, explosion-caused jiggles might all depart in the same direction; all might be mountain peaks, for instance. Significantly, the long waves are less subject than other waves to distortion as they travel through the earth's crust. Long study of earthquakes yields this finding.

WAVES DEEP IN GROUND

Telltale differences are suspected, too, in yet another kind of shock wave—short ones that follow the first waves down deep in the earth's interior, at about the same time the long waves are passing closer to the surface. Clues to this theory have been picked up in tests by seismologists at the Carnegie Institution of Washington. Over the last few years, in pursuit of seismological knowledge, the scientists have been listening to quarry blasts and Navy depth charges, says Dr. R. B. Roberts, head of the institution's department of terrestrial magnetism.

Project Vela, however, calls for more than just setting off nuclear explosions and tuning in on them. Plans are being drawn up for the U.S. Coast and Geodetic Survey to reequip 125 seismographic stations in the United States and friendly countries with new and better instruments as part of a major speedup on research on the eccentricities of earthquakes and explosions. This might give the West its own detection system, whether or not an international test ban comes about.

Although U.S. scientists have developed some of the most advanced seismological instruments and techniques in the world, most U.S. institutions are still using old, out-of-date seismographs. "I've seen seismograms that apparently were made on instruments 75 years old," says one seismologist.

By contrast, the Russians have placed considerable emphasis on modernization. Americans who have visited the Soviet Union tell of a large, modern network of seismograph stations all equipped with standard, up-to-date instruments. In an effort to learn the structure of the earth's crust, the Russians are reported spending about $1 million a year, much more than U.S. outlays for the same purpose. But it's believed the Soviets have done little to distinguish between earthquakes and explosions.

RESEARCH BUDGET

In all, this country plans within the next 18 months to step up its seismological research spending from less than $500,000 a year to more than $20 million—not counting $33 million to be spent on nuclear test blasts.

But just how far Project Vela will get in developing foolproof detection methods is fast becoming a subject of major scientific controversy. Such scientists as atom bomb physicist Dr. Edward Teller of the University of California claim that methods of concealing underground explosions are being found faster than methods of improved detection.

The monkey wrench, he warns, lies in the fact that underground explosions can be muffled. Scientists including Dr. Albert Latter, a Rand Corp. physicist who's helping try to hammer out a test ban system with the Soviets, have come up with the decoupling theory: That if an underground blast is set off in a large cavern, much of the energy will be dissipated in the surrounding air before it reaches the rock walls. The resulting shock waves would register on the siesmograph as coming from only a small disturbance.

In the last few months, U.S. scientists, using large amounts of TNT, have run experiments in New Mexico to test this theory. They now believe that even a huge bomb equivalent to 300,000 tons of TNT can be muffled. A seismograph would register it as equivalent to about 1,000 tons of TNT.

DETECTION REQUIREMENTS

Thus, it's imperative, Dr. Teller declares, that detection methods be able to spot the smallest explosions and tell the difference between them and small quakes.

"There is little likelihood that in 2 years or even 4 or 5 years there will be any foolproof method of detecting small explosions," he concludes.

On the other side of the fence are Project Vela seismologists and such physicists as Dr. Hans Bethe of Cornell University. Even now, by spacing detection stations closer together, he claims, it is possible to detect the smallest disturbance, though not to tell whether it is an explosion or a quake. He suggests that instead of 21 large manned seismograph stations in Russia as now proposed, a nearly foolproof system could be set with 600 remote-controlled stations in the U.S.S.R., most of them unmanned.

At least there is little doubt that seismographs can pick up explosion shocks waves. Paul Pomeroy, a seismologist at Lamont, recalls that when seismologists were preparing for the U.S. underground blasts in Nevada in 1958, they picked up shock waves coming from the Soviet Arctic island of Novaya Zemlya. Knowing this was the Soviet bomb testing area, they concluded the Russians were again testing weapons.

The United States is insisting that it cannot agree to any ban unless it can be fully policed with an effective system of detecting cheating. Officially, the Americans propose a ban on large explosions, those that produce shock waves equivalent to a large earthquake—specifically, explosions that would register 4.75 or more on the earthquake magnitude scale, a scale that runs from one to eight. A nuclear bomb of the 20,000-ton TNT size would register slightly above this 4.75 threshold.

GENEVA SYSTEM

This proposal is based on the belief that a detection system ironed out almost 2 years ago by conferences in Geneva between Western and Soviet scientists would be able to spot such explosions. Under this system, there would be 180 seismographic detection stations—21 in the U.S.S.R., 14 in this country, and the rest spread around in other nations.

The Soviets have proposed that the nuclear powers enter a voluntary moratorium on small blasts which cannot be detected with present methods. They suggest a moratorium of 4 to 5 years. The United States has countered that it will enter such a moratorium for a year or two—if research programs to find small blast detection methods are launched immediately by the nuclear powers. The United States is proposing that the coming underground tests under Project Vela be conducted by an international group including representatives of Britain and Russia.

Mr. PROXMIRE. Mr. President, I also wish to have printed in the RECORD a statement on "Technical Aspects of a Nuclear Weapons Ban," prepared by the Panel on Nuclear Test Control, of the Federation of American Scientists. The statement is an important summary-analysis of the hearings conducted by the Special Subcommittee on Research and Development, of the Joint Committee on Atomic Energy, and was drafted for the panel by four well-known nuclear scientists:

Dr. David R. Inglis, senior physicist, Argonne National Laboratory and FAS chairman, 1959–60;

Dr. Owen Chamberlain, professor and 1959 cowinner of the Nobel Prize in physics, Berkeley, Calif.;

Dr. Peter Axel, professor of physics, University of Illinois; and

Dr. William C. Davidon, physicist, Argonne National Laboratory and FAS vice chairman, 1960–61.

In a preliminary statement, the four authors wrote:

We believe that the risk of nuclear war will increase if the nuclear arms race continues and if nuclear know-how spreads to other countries.

It was recently announced present estimates are that within 10 years 18 nations will have nuclear power and nuclear weapons, and therefore nuclear destructive capabilities.

The statement continues:

And, although effective test control requires a rather extensive monitoring system, it is not only the best place to start limiting the arms race but it greatly reduces the risk of war even if no further steps are taken. Now is perhaps the last opportunity to achieve an agreement among the great nuclear powers, if the U.S.S.R. will agree to

an arrangement similar to that being proposed by our Government. Not only the greater number of nuclear powers, but also the more hair-trigger situation when weapons are further refined, will make agreement more difficult and less rewarding in the future.

Until the monitoring system is improved, it will be technically possible for evasion to occur if big underground holes can be prepared in secret or found in nature. Furthermore, a disproportionate amount of attention has been given to detecting, by seismic means only, explosions in big holes. Little attention has been paid to the communication of information through the other contacts made by the international teams which will man the 21 stations in Russia.

Under these circumstances, the test program of an evader would proceed very slowly and with great difficulty, if at all. The incentives would have to be greater than they appear to be to make the tests worth the risk of detection. Compared to this, we believe the U.S.S.R. has more to gain militarily than do we by an open resumption of tests.

Mr. President, I should like to include the summary analysis at this point in the RECORD, and I ask unanimous consent to do so.

The being no objection, the summary-analysis was ordered to be printed in the RECORD, as follows:

TECHNICAL ASPECTS OF A NUCLEAR WEAPONS TEST BAN

(Hearings held by the Special Subcommittee on Radiation and the Subcommittee on Research and Development of the Joint Committee on Atomic Energy Act, April 19–22, 1960)

INTRODUCTION

It is generally understood that the problem of seeking a satisfactory agreement for the control of a nuclear weapons test ban involves both political and technical consideration. Neither can be divorced from the other in arriving at a balanced judgment of the national advantages obtainable from such an agreement. These hearings isolate for special study the technical aspects of test ban control and may therefore not be considered to be the basis for a balanced judgment, but only one important ingredient thereof.

The witnesses were all technical men, some of them prominent scientists, and the testimony is quite technical and lengthy. It included established fact, considered opinion, and perhaps even some fanciful opinion. This is inevitable in view of the early stage of development of both detection and evasion techniques. It included opinion both favorable and unfavorable to the prospects of an effective test ban. This summary-analysis attempts to abstract the situation briefly and in as nontechnical language as is reasonably possible in this technical and controversial domain. In so doing, it risks the accusation of incompleteness or bias. A sincere attempt is made to present in a fair perspective what appears to be the most important points.

Initially, it should be understood that nuclear tests on the earth's surface, tests underwater, and tests in the atmosphere can be detected with relative ease with scientific techniques presently available.

With regard to detecting underground tests, the problem facing one who wishes to detect is, in part, to distinguish the recording on a seismograph produced by an earthquake from that produced by an explosion. Since earthquakes occur only in limited and well-known areas of the earth, the geographical area which must be carefully monitored is likewise limited and known. These areas are called seismic areas. The problem, therefore, may be stated as twofold: first, to detect a disturbance on a seismograph, and second, to identify that disturbance as an earthquake or as an explosion. Since, as stated, earthquakes occur in limited and known geographic areas, any detectible disturbance originating from a nonseismic area will, ipso facto, be suspected to be an explosion.

The network of seismic detection stations already agreed upon at the Geneva Conference is premised on the foregoing scientific propositions.

One other introductory point deserves mention. Many press accounts of the hearings failed to put into proper perspective the apparent agreement of some experts that 600 small detection stations in the U.S.S.R.—rather than the elaborate and fully instrumented 21 in Russia already agreed upon at Geneva—would be necessary to provide adequate monitoring. What was agreed was not that so many stations would be necessary, but merely that they would be sufficient, which is very different. Specifically, they would be sufficient if the objective is to detect, solely by observing seismic signals, 20 kiloton shots (20,000 tons of TNT equivalent) muffled by very large underground cavities. The 600 stations discussed as an offhand example were to be spread evenly all over the U.S.S.R. regardless of the distribution of earthquakes, which is, as shown above, an inefficient and unnecessary way to do it. The number of control stations that is considered necessary becomes very much smaller than this if we recognize that the construction of large cavities is apt to be detected by other than seismic means (intelligence reports, defectors, aerial or satellite surveillance), or that their construction might escape detection only in regions where there are salt domes, less than 1 percent of the land area of the U.S.S.R. Furthermore, these salt domes are located outside of seismic areas.

THE "GENEVA NETWORK"

The "Geneva network" would consist of 180 observation stations in the world, 21 of them in the U.S.S.R. They would be placed at about 600-mile intervals in the regions where there are many earthquakers (less than one-fifth of the land area of Russia) and at 1,000-mile intervals elsewhere.

If supplemented with a number of onsite inspections, the network was originally considered capable of providing adequate monitoring of underground tests (like those in Nevada) down to 5 kilotons. Our latest Nevada tests raised this estimate to 20 kilotons, but it is possible to restore the effectiveness of the network to 5 kilotons by increasing the number of instruments per station from 10 to 100 and by rearranging the locations of the 21 stations to cover the seismic regions more effectively (testimony of Dr. Richard Latter). The international cost of the worldwide 180-station network (100 instruments per station) plus some instruments for monitoring, is estimated at a billion dollars, plus a quarter of a billion annually for operation and maintenance (testimony of Dr. Beyer). An initial three-power agreement would, of course, involve much less. One witness (Dr. Peterson) considered somewhat less than 100 instruments per station to be more practical, which would limit the improvement but which would decrease the cost.

MUFFLING

The rock in which we have had experience with underground tests, Nevada tuff, is not a very good rock for making the seismic signal appear small in order to evade detection. Salt is one of the best. A test can be 2½ times as powerful in salt as in tuff and produce the same size signal on a seismograph. Thus, the 5-kiloton limit mentioned above would become about 12 kilotons for tests in salt. The signal may be much further reduced by carrying out the test in a big cavity deep underground. The distant signal is reduced by a factor 120 if the cavity is big enough, so that a big hole in salt makes the distant seismic signal 300 times weaker than in a Nevada test, or a "decoupling" factor of 300. As a typical example, the hole required to decouple a 20-kiloton blast (one-tenth of 1 percent of the power of a big H-bomb) by a factor of 300 must be about 450 feet in diameter if it is 3,000 feet underground. It does not help to make the hole still larger; if the hole is smaller, the muffling is less effective. A hole in salt 200 feet in diameter and 3,000 feet underground gives a decoupling factor of about 30, rather than 300 (testimony of Dr. Richard Latter and Dr. Bethe). A 20- or 30-kiloton blast in a 200-foot-diameter hole would give a signal strong enough to be detected and located by the Geneva network. Although the network could not distinguish such a blast from an earthquake, that discrimination would be unnecessary since quakes are very rare where there are salt formations. Therefore, any disturbance emanating from a salt area would arouse suspicion.

There is a theoretical possibility of increasing the decoupling by another factor 3 to 10. This might be done by developing a technique for suddenly filling the hole with dense carbon dust with thousandth-of-a-second timing just after the passage of the first shock wave from the explosion (testimony of Dr. Brown). And it may be possible to make the task of distinguishing blasts from earthquakes more difficult by detonating several charges at almost the same time (testimony of Dr. Teller).

The decoupling factors here discussed apply only to the signals detected at a great distance, say 600 to 2,000 miles, which are the important signals for the Geneva network. The signal assumed is of low frequency, like a dull thud. A test in a big hole sends out also a very sharp first signal which dies out so that it is very weak at these distances. The muffling will be considerably less effective if this sharp first signal can be measured. Present techniques permit using the sharp signal at shorter distances, particularly under 300 miles. Future improvements may make the sharp first signal identifiable at Geneva network distances.

CONSTRUCTION OF BIG HOLES

Construction of very large underground cavities is very difficult, except in salt domes. Many such cavities for petroleum storage have been constructed commercially in salt domes, with diameters of 200 feet and in one case up to almost 500 feet, and quite deep underground. Their construction involves the pumping into the salt dome of large amounts of water and disposal of brine. The shape can be controlled. It would cost about about $10 million to prepare a 500-foot cavity in 2 years (testimony of Mr. Meade). The next possibility, much more difficult, is to heat limestone hot enough to turn it into lime and then to dissolve out the lime (testimony of Dr. Teller). But limestone is not easily soluble and vast amounts of water would be needed. This has never been done. Even the easier preparation of a big hole in salt is apt to be detected by other than seismic means (such as measuring the salinity of rivers). A considerable likelihood of detection should be enough to deter construction (testimony of Dr. Bethe).

FINER NETWORK OF SMALL UNMANNED STATIONS

There are many possibilities for improvement of seismic techniques, and a research and development program should be pushed with greater vigor. Within the framework of present techniques, it is possible (political considerations aside) to go beyond the capabilities of the Geneva network by installing more stations spaced more closely. It is contemplated that these should be small, unattended (robot) stations with only a single siesmograph (or perhaps four

seismographs), in contrast to 100 seismographs in a big "Geneva" station. Communications to a master station would be by cable or courier. If one should go so far as to place these single-seismograph stations at 125-mile intervals, it would be possible not only to detect and locate but also to identify signals from a 20-kiloton shot muffled in an arbitrarily big hole anywhere. If these stations were spread uniformly over the U.S.S.R. this would amount to 600 small stations (testimony of Dr. Bethe with the concurrence of Dr. Teller). This is an excessively large number because there is no need to identify blasts, as distinct from earthquakes, in the very large parts of Russia where quakes rarely occur, and where every seismic event would therefore be suspicious. On this basis 200 small stations were suggested for the U.S.S.R. (supplementary testimony of Dr. Bethe). This still assumes that big holes could have been built in complete secrecy anywhere in Russia. Limiting this possibility to salt formations further decreases the number of stations, since salt areas are concentrated in 1 percent of Russia's land area. The cost of these small stations is about $100,000 apiece (testimony of Dr. Albert Latter). It would be more efficient to have more seismographs (perhaps four) per station and fewer stations, still unmanned.

Experience with special seismographs to detect rather fast vibrations, instruments which can be set up in a few minutes in the field, shows that blasts of 10 tons or even 1 ton give very distinct signals at distances of 250 miles. Location of the event is more accurate with near-in seismographs than with more remote observation. And the complicated seismic signal repeats itself exactly if there are two shots at the same place (so an evader would be discouraged from using the same big hole twice). Based on this experience, a 250-mile spacing between unmanned stations was considered adequate for location and probably for identification of blasts somewhat smaller than 20 kilotons, muffled to look like a 70-ton blast, particularly with four instruments per station. If distributed evenly over the U.S.S.R. this would mean 125 stations, but eliminating most of those in regions where there are practically no earthquakes would again reduce this number considerably (testimony of Dr. Roberts). The size of the signal to be identified cannot be pushed down very much lower than this because there would be too many very small earthquakes to identify.

If, instead of using small stations, one thinks of increasing the number of big stations to 25 or 30 stations in the U.S.S.R., and of using the added stations particularly in the seismic regions and in the salt regions, one can increase the capabilities of the network markedly (testimony of Dr. Richard Latter). Doubts were expressed that ideal sites could be found for more than 25 big stations (testimony of Dr. Peterson) but this discounted the possibility of drilling down to bedrock. A great deal is known about the geology of the U.S.S.R. (testimony of Dr. Peterson).

ACCURATE LOCATION AND ON-SITE INSPECTION

With the Geneva network, on-site inspection of a suspicious event would involve searching an area of 100 or even 200 square miles. One advantage of more closely spaced stations, particularly in earthquake regions, is that the signals observed at shorter distances would locate the event more accurately. Since seismic signals travel with different speeds in different geological formations, it was suggested that the source of a signal could be located much more accurately by going into the suspicious region and setting off a chemical blast there to verify signal speed in a particular area. Comparison of the new signal with the original signal would cancel out the uncertainty in the signal speeds. The area to be searched by an on-site inspection could be reduced, if robot stations were employed, to about 3 square miles (testimony of Dr. Roberts and Dr. Romney). A rather small verification blast (1 ton) would be enough with fairly closely spaced stations, but a larger charge would be needed to use this system with the Geneva network (and the accuracy would be less).

IDENTIFICATION OF BLASTS AND EARTHQUAKES

The Geneva network is based on the expectation that on-site inspections can sample about one-third of detected but unidentified ambiguous events, a percentage sufficiently high to discourage evasion. This identification capability depends on only one method of distinguishing the signals produced by earthquakes from those produced by explosions. It is expected that other methods of discrimination will be developed to reduce the number of unidentified events and thereby increase the percentage of suspicious events that may need to be inspected on-site. For instance, the estimates of the capability of the Geneva network have been based on observations of the differing characteristics of only the first part of the low frequency signal emitted by an earthquake and an explosion. Use of other parts of the low frequency signal is expected to improve the capability of the Geneva network as already agreed upon (testimony of Dr. Oliver). In addition, study of characteristic differences of high frequency signals produced by earthquakes and explosions may provide additional techniques of discrimination and identification (testimony of Dr. Roberts).

TESTING IN SPACE

By monitoring blasts in space from the earth's surface, it appears possible that the Geneva network may be able to detect explosions out to 300,000 to 500,000 miles. Beyond that distance monitoring by a system of surveillance satellites may be possible. In addition, test vehicles going into space may be detected by other means at the time of launching. Techniques of shielding blasts in space to reduce the possibility of detection have been suggested. No tests in space are known to have occurred.

SUMMARY

The Geneva network as planned, with 21 well-equipped seismic stations in the U.S.S.R. supplemented by 20 on-site inspections per year, is capable of effectively monitoring tests of 20 kilotons (Nevada conditions) and above. A more favorable arrangement of the 21 stations would bring the limit down considerably below that level. If secret preparation of an extremely big underground hole were possible without risk of discovery by other than seismic means, tests in such a hole up to over 100 kilotons could be sufficiently muffled to escape detection by this system. Construction of big holes appears to be practicable only in salt formations, which occur in regions constituting less than 1 percent of the U.S.S.R. and in these regions earthquakes are very rare. It is sufficient for control to be able to detect and locate a blast in such a region, without distinguishing it from an earthquake. The Geneva network can do this for a 30-kiloton blast partially muffled in a 200-foot-diameter hole. Such holes exist, filled with brine or petroleum products. The Geneva network is thus capable of controlling tests above 20 kilotons without big holes or above 30 kilotons with such existing holes if pumped out. It would also partially monitor unmuffled tests considerably below 20 kilotons.

Future improvements are definitely expected in detection techniques and may be anticipated also in techniques of evasion. Among the several promising improvements expected in detection techniques is more knowledge of the characteristic differences between blasts and earthquakes, observed through the same geologic formations. If necessary, a suspicious event can thus be checked by detonating a blast near it. This method can also be used to locate the event more accurately and to reduce greatly the area to be searched by an onsite inspection. If such improvements should fail to make the Geneva Network capable of distinguishing sufficiently very small blasts from earthquakes, greatly increased capabilities may be obtained by adding more stations to the system. Even with present techniques, 30 well-equipped stations instead of 21 in the U.S.S.R. would take the limit down below 5 kilotons. The addition of a somewhat greater number of very simple robot stations, with future techniques, may take the limit for dependable identification well below 1 kiloton. This would have the additional advantage of reducing substantially the area to be searched by onsite inspections.

In short, the Geneva Network has the capability of adequately monitoring underground tests of a power down to about the size of the Hiroshima A-bomb; namely, one-tenth of 1 percent of the power of a large H-bomb; or two-tenths of 1 percent if a program of evasion were undertaken with the handicap of testing in big holes such as now exist in the limited salt-dome regions of Russia; or one-half of 1 percent if the construction of much bigger holes were contemplated. The capability of the monitoring system may be expected to improve markedly with future research and development.

Mr. PROXMIRE. Mr. President, the New York Times, on May 28, carried a detailed summary of the reopening of the Geneva talks which some of us may have missed. I ask consent that it also be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ATOM TEST TALKS RESUME IN GENEVA—SOVIET ASKS ASSURANCE U.S. PLAN WILL NOT AID ARMS—SILENT ON U–2 CASE

GENEVA, May 27.—The United States, Britain, and the Soviet Union resumed today the negotiations for a ban on nuclear weapons testing.

No reference was made to the U.S. U–2 reconnaissance plane shot down May 1 over the Soviet Union as the delegates reconvened after a 2-week recess for the summit meeting in Paris.

However, Semyon K. Tsarapkin, the Soviet delegate, asked for guarantees that underground nuclear explosions planned by the United States under its project Vela would not serve in weapons development in addition to helping to find effective controls for a ban on tests.

The Soviet negotiator put the request in such a way, however, that he seemed to be asking for no more than the normal guarantees that both sides would expect of each other to assure that all undertakings were observed.

As a result, Sir Michael Wright, of Britain, the conference's chairman for the day, was able to describe the 206th session of the 19-month-old negotiations as a business-like meeting in a noncontroversial atmosphere.

James J. Wadsworth, the U.S. delegate, confirmed the chairman's remarks. "There was no recrimination—not even one echo from Paris," he commented after the 80-minute session.

"As usual," was the way Mr. Tsarapkin described the atmosphere in the conference room.

The Soviet delegate made a long statement to the conference emphasizing that the Soviet Union had no intention of holding nuclear explosions as part of the projected coordinated program for developong controls on underground tests.

Mr. Tsarapkin also emphasized that the Soviet Union had agreed to the idea of the research program only because the West wanted it. The Soviet Union remains perfectly satisfied with the control system devised by the East-West experts who met here in the summer of 1958, he said.

It was to remove the "obstacle" raised by the U.S. doubts over the effectiveness of the 1958 control system that the Soviet Union accepted the research program now being drafted here by the scientists of the three countries, Mr. Tsarapkin added.

The Soviet Union will insist that any nuclear explosions held by the United States under the research project be surrounded by "adequate safeguards," the Soviet delegate said. Mr. Tsarapkin said that this meant that the Soviet Union should be able to see for itself that none of the U.S. nuclear tests had military value.

President Eisenhower announced on May 7 the Vela project for a series of underground nuclear explosions to develop controls for hard-to-detect tests. He emphasized later at a news conference that the blasts would have nothing to do with weapons development.

Mr. Tsarapkin said that assurances of this kind were all very well but he thought that the nuclear tests for research purposes should also have technical safeguards. It is up to the United States to make proposals on this, he added.

WE MUST GRANT OUR SENIOR CITIZENS FREEDOM FROM FEAR

Mr. PROXMIRE. Mr. President, is it the will and intent of the Senate that the vast majority of our senior citizens face retirement with dread? I think not; but how else can history record our attitude if we continue to allow our elders to fear each passing day that brings them closer to mounting medical costs and little or no way to meet them?

A letter from a Wisconsin constituent describes the plight of a man approaching this grim trap, and with nowhere to turn but to us. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SENATOR PROXMIRE: I am writing to request your wholehearted support of the Forand bill. I am a victim of varicose veins, which, as you probably know, can cause recurrent trouble. I am nearly 64 years old and have hospital insurance, which covers my present expenses when hospitalized, and these cost about $15 per day. On retirement I will no longer be able to qualify for insurance. Myself and other senior citizens are in need of such a measure of medical and hospital care as the Forand bill provides.

It is my hope that you will give this bill your wholehearted support and help large numbers of senior citizens who are gravely concerned. Thank you in advance.

Yours truly,

——— ———.

THE DISASTER IN CHILE

Mr. SMATHERS. Mr. President, an unmerciful disaster has devastated a huge area of Chile. Thousands of Chileans have died in a series of violent earthquakes, tidal waves, and volcanic explosions. More thousands are missing or injured.

Whole villages have been wiped out and great sections of cities destroyed. The scourge of disaster has been felt along a line of distress 2,600 miles in length. Even now, the extent of suffering and horror is not yet fully known.

The United States, I am proud to say, has acted as a good neighbor should act, opening its heart to the people of Chile, and offering its hand to help them overcome their suffering and their wants. The magnitude of this calamity is appaling, but our Government and our people are responding with a great outpouring of help.

Sixty huge U.S. Air Force planes are carrying out a wonderful mercy airlift, bringing to the devastated areas of Chile food, clothing, blankets, medicines—in fact, entire field hospitals and hundreds of doctors, nurses, and technicians to staff them.

Many private American agencies are carrying out nationwide fundraising drives to aid our southern neighbors. They include the Red Cross, the Church World Service, Catholic Relief Services, Lutheran World Service, Seventh-day Adventists, and the Church of the Latter-day Saints, to name just some of them.

I urge every American to consider the plight of his neighbors in Chile and to respond generously and swiftly to these fund appeals.

The first needs, of course, are to take care of the sick and injured, to bind up their wounds, to feed them, and to house them in some sort of temporary shelters. But after that, Chile will have to rebuild.

It is estimated that 2 million Chileans were made homeless as a result of this enormous catastrophe, and the Southern Hemisphere's winter is just beginning. Property damage amounts to at least a billion dollars—maybe much more.

I feel confident that the U.S. Government and its people will offer the brave and resolute people of Chile generous help in rebuilding their devastated communities. We will help them to rebuild their homes, churches, and shops, and to restore their means of livelihood—in a word, to make it possible for millions of sufferers to resume a pattern of everyday living once more.

It may be that such help could not be forthcoming from the United States within the framework of our present aid programs to Latin America. Special consideration may have to be given to the problem and a solution worked out. That we should do.

I think that one thing could be learned from America's response to the Chilean disaster. Help from our Government and people-to-people assistance have poured forth abundantly to the disaster victims of Chile—certainly not in the hope that we would reap gratitude or appreciation, but because it was the natural thing for one good neighbor to do for another.

RELATIONS BETWEEN CUBA AND THE UNITED STATES

Mr. SMATHERS. Mr. President, on last Friday it was announced that the President had ordered a halt to further technical assistance from the United States to Cuba.

I thought that the President's action was sensible and realistic. It has never made sense to me to have our Government giving aid and comfort to a government which is openly vilifying us and our way of life.

Furthermore, I am certain that the President's statement will clear the air of the confusion which exists in this hemisphere about our position toward antidemocratic governments. Everyone in Latin America will now know that the United States is not soft on communism nor on dictatorships of the left or right.

I believe the people of the Western Hemisphere and all of the world outside the Soviet orbit will hail and approve the President's action. It reaffirms America's role as the leader in the many-faceted war against communism and all it stands for.

There is one more point. I hope that those who have up to now sought a continuation of the very partial and preferential sugar legislation as it pertained to Cuba will be willing to reevaluate their position and permit the Congress to revise the legislation in a realistic and up-to-date manner.

The Washington Evening Star of yesterday published a significant editorial, clearly setting forth our illogical position in granting Cuba a favored-nation status in our sugar purchasing. The Star points out that our technical aid to Cuba was halted because it was not in our national interest to continue such aid. Then it asks, Is it in our national interest to continue the heavy subsidization of the Cuban sugar industry?

I ask unanimous consent that this editorial be inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Star, May 30, 1960]

CONTEMPTUOUS MR. CASTRO

Cuba's Prime Minister Castro has shrugged off the announced ending of our technical assistance to his country as "insignificant," and has added some contemptuous remarks about what we may do with our aid money.

It is correct, of course, that the two programs involved—one in agriculture and the other in civil aviation—are not of major importance to the Cuban economy. Their annual cost is estimated at about $200,000, and less than a dozen U.S. specialists are engaged in their operation in Cuba. But while emphasizing that termination of the programs within 180 days should not be interpreted as retaliation for Mr. Castro's anti-United States words and policies, administration spokesmen pointedly explained that the programs no longer are considered in the national or hemispheric interest of the United States.

On this ground, it seems fitting to question whether continued heavy subsidization of the Cuban sugar industry likewise is in our national interest. Under existing law, expiring this year, Cuban sugar has a favored position in the big U.S. market—both in volume and in price. By far, sugar is Cuba's most important cash crop and a guaranteed market at a premium price is not insignificant to the Cuban economy.

The administration has recommended that the new sugar act give discretionary authority to the President of the United States to revise quotas and prices on sugar imports.

We believe that the President should have this authority, and that it should be exercised in national and hemispheric interests.

MUTUAL SECURITY: THE MEASURE OF LEADERSHIP

A NEW STAGE IN EAST-WEST RELATIONS

Mr. KUCHEL. Mr. President, we may be entering—and I think it apparent that we are—a new stage in East-West relations. Our determination and our leadership of the free world will undergo new tests. Our allies will be searching our actions anxiously. Their resolution to stand unflinching against communism will depend in great part on the maturity and wisdom of our actions.

The Communists are doing more than hurling brutal and arrogant threats at us. The Communists are hard at work building military strength. They are applying their scientific resources to new weapons. They are looking for opportunities to penetrate the uncommitted areas of the world with tantalizing and spurious offers of economic and military aid. They are hoping to bully and bludgeon our friends, particularly the smaller ones bordering on the Soviet bloc, into abandoning their defensive alliances and their friendly relations with the United States and our allies.

The Soviet Union has long recognized the importance of the underdeveloped areas of the world in relation both to the spread of Communist ideology and to the augmentation of Soviet world power. As early as 1920, Lenin changed the direction of Communist Party international policy from direct attack on European capitalism to an undermining of the economic strength of Europe through activity in the colonial areas. Thus, the revolutionary and nationalistic tendencies in Asia were to receive the fullest possible support. With the subsequent emergence and growth of nationalism and the establishment of new States born out of the colonial areas in the Middle East and in Africa, this policy was expanded into these areas. A Soviet pattern of economic penetration for political purposes began to emerge. Today the U.S.S.R. offensive continues against the uncommitted nations on the Asian, Middle Eastern, and African fronts, and in this hemisphere as well.

In the years since Stalin's death, Soviet policy has emphasized what it terms, euphemistically or otherwise, peaceful coexistence. Development of trade and the export of technical assistance, Russian style, have been fashioned into new policy tools. As a corollary, the tactical objectives of communism have emerged as exploitation of new nations' laudable and logical desires to achieve technological and social maturity. Russia undertakes the exploitation of neutralist atmosphere to achieve a pro-Soviet attitude. She seeks substitution of Soviet for Western influences throughout the underdeveloped areas. By a combination of propaganda, technical, and economic aid, plus espionage and subversion, the Soviets work almost fanatically to establish and extend their influence and power.

Soviet intelligence services and the International Communist movement play a major role in their activities. The senior Soviet intelligence apparatus, composed of the State Security Service, and the military intelligence organization, controls a vast interlocking network of foreign agents and operations directed at subversion, terror, asassination, and sabotage. In addition to attempted penetration of all levels of official and nonofficial groups in each country, where they have been singularly successful, this apparatus infiltrates agents whose identity papers, passports, and the like are often stolen or falsified, in direct violation of the sovereignty of the host nations. As a result of the secret support and direction supplied by the Communist Party of the Soviet Union, the local party, or one or more of its front organizations, carries out all political action within its means to promote Soviet ends.

The embassies established by the U.S.S.R. may be described—accurately, I think—as command posts for Soviet espionage, subversion, propaganda, and Communist Party efforts. Among the personnel assigned to such installations are many staff members of the intelligence services sent abroad to operate under the guise of diplomats. The groups of Soviets assigned to technical aid missions, hospitals, and the like also usually include a high percentage of intelligence personnel. The U.S.S.R. also exploits the acceptance in these areas of the official Soviet embassies and trade delegations designed to achieve on-the-spot manipulation of the newspapers and other information media of the host countries.

THE OVERALL SOVIET PROGRAM FOR UNDERDEVELOPED AREAS

The overall Red program for underdeveloped areas has been focused around three major campaigns:

First. Opposition to what is called "economic neocolonialism," including promotion of the nationalization of foreign-owned enterprises, combined action to discourage Afro-Asian trade links with the West, encouragement of opposition to the European Common Market and the Eurafrica plan, and resistance to new foreign capital investment in private enterprise.

Second. Support for national liberation of colonies and recovery of so-called "alienated" territories.

Third. Encouragement of that version of Afro-Asian unity in which Soviet bloc countries of Asia would be accepted as full and equal partners, entitled to preferential poliitcal, cultural, and economic treatment.

In developing these campaigns the international fronts have engaged in several kinds of organized effort:

First. Expanding the international role and activities of their Afro-Asian affiliates and leaders through organizing special gatherings, assigning major organizational tasks to them, and holding broad meetings in which maximum Afro-Asian participation is invited and publicized;

Second. Inspiring, supporting, and participating as much as possible in joint activities sponsored by unaffiliated Afro-Asian bodies of a similar character; and

Third. Publicizing and supporting Afro-Asian aims and aspirations in Western areas and in such bodies as the United Nations Specialized Agencies, where such support is most likely to influence Afro-Asian peoples, and to suck them into the Red orbit.

AFRICA: THE OVERALL RED PROGRAM IN ACTION

The enormous effort being expended in Africa by the U.S.S.R. clearly illustrates the significance of the Soviets' total worldwide program.

One of the most important centers for Soviet espionage and subversion directed against the entire African Continent is found in Cairo, Egypt. Activities emanate from both the Soviet Embassy and the Communist-dominated Afro-Asian Permanent Secretariat of the Afro-Asian Solidarity Committee. The signing of an agreement between the U.S.S.R. and Tunisia this month established diplomatic relations; this action was accompanied by the U.S.S.R. usual offers of aid and favorable trade agreements. The Soviets established diplomatic representations in both Morocco and Libya shortly after these countries attained their independence. In these countries, Soviet diplomatic representatives have been attempting to obtain strategic intelligence on U.S. Air Force bases there and to acquire the information which would allow the Soviets to formulate plans for future sabotage or worse.

The Soviets have also been active among the Communist Parties of these areas, especially in Libya, where they have concentrated not only on Libyan Communists but also on the local Italian Communist group. Although the Soviets have not yet recognized the Provisional Algerian Government in exile, the Chinse Communists have extended official recognition and offered arms and monetary aid as well. Members of Algerian nationalist groups have, however, consulted with Soviet officials in other countries, and it will probably not be long before Soviet recognition becomes official here as well.

Soviet permanent installations in Ethiopia are the focal point for Soviet activity for the entire horn of Africa. There is a permanent cultural exhibition in Addis Ababa which disseminates Communist propaganda, offers courses in Russian language, and generally attempts to indoctrinate its visitors, mainly young Ethiopians and students from East Africa. A strong indication of the active Soviet interest in Africa and the heavy selling job the U.S.S.R.'s offers of aid without strings—Russian style—has done may be seen in the visit of Emperor Haile Selassie to the U.S.S.R. last summer. An aid agreement of $100 million was signed with the Soviets, and an oil refinery and technical school staffed by Soviet officials are planned. In June, a Soviet industrial exhibition will be held in Addis Ababa, and it is reported that the Soviet Minister of Foreign Trade will travel there to officially open it.

In West Africa, the Soviets are planning to build a polytechnical institute at Guinea, which will accommodate from

1,500 to 2,500 Guinean students. The institute will be staffed by Soviet personnel—the method consistently used by the U.S.S.R. to infiltrate their officials into positions of influencing long-range economic development and planning. These agreements are used to place Soviet intelligence officers in strategic countries in underdeveloped areas, in technical projects, hospitals, and similar recipients of Red aid programs. It is characteristic that such projects are established only on agreement that the entire staffs are supplied by the Soviets.

A significant aspect of Soviet assistance in this field may be seen in the willingness of the Soviet Government to sponsor and subsidize the study of the Russian language. Under a teacher exchange agreement, Russian language instruction at the university level is already under way in such countries as Egypt, Syria, Afghanistan, India, and Indonesia. In the newly independent State of Guinea, Russian has been selected as the second language of the country—French being the first—and 40 secondary schoolteachers will arrive from the Soviet Union in the fall to initiate this instruction. English had originally been selected as the country's second language, but this plan was abandoned when the U.S. Government was able to offer only one teacher.

TWO CASE HISTORIES: PANYUSHKIN AND OGANESYAN

A meshing of the activities of various Soviet Communist Party, espionage, and governmental organs, in these areas is illustrated by such interesting items as the presence of Aleksander Semenovich Panyushkin in the CPSU—that is the Communist Party of the Soviet Union—delegation to the conference last September of the Democratic Party of Guinea. In November 1959, Panyushkin was described in Pravda as a "member of the Council of the Union of Soviet Societies for Friendship and Cultural Relations with Foreign Countries." He will be best remembered in the United States as Soviet Ambassador from 1947 to 1952, and sometime member of the Soviet delegation to the United Nations during that time. This same Panyushkin was identified by at least four very knowledgeable defectors from the Soviet intelligence services as a longtime career officer of the Soviet intelligence organizations, and the chief of Soviet intelligence activities in the United States during his official tour here. In the summer of 1953 he was chief of all the foreign intelligence activities of the Soviet state security service throughout the world. The presence of such a man as a friendly party representative in Guinea clearly indicates, I think, the importance of these areas to the Soviet intelligence services and to the Soviet Government as a whole.

Soviet "friendship" to these areas of the world is also revealed in a more accurate light by the policy of sending as diplomats to these countries highly experienced intelligence officers whose real aim is to promote the supremacy of the Soviet Union and the theory of international communism by any means. The recent assignment to Iran of Khachik Gevorkovich Oganesyan as First Secretary of the Foreign Ministry of the U.S.S.R. is a glaring example. The nature of Oganesyan's true assignment in Iran can safely be predicted on the basis of his past career: From 1946 to 1950, he was the chief intelligence resident in Iran, ostensibly assigned as second secretary of the Soviet Embassy; from 1949 or 1950 to May of 1953, he was chief of the section for deep-cover agents of the state security service in Vienna, Austria, during which time he maintained contacts with Boris Morros, of note as a coconspirator with the Sobells in spying in the United States.

This is a part of the Soviet record.

SOVIET MILITARY FORCES

The Soviet Union is prepared to fight wars ranging in scope from small brushfire conflicts, including limited nuclear encounters, to all-out nuclear war, in the words of their leaders.

The Soviet Union's ground force, with about 170 divisions, is continuously engaged in a comprehensive training program designed to maintain peak combat efficiency. Soviet units in East Germany, which are considered to be the elite force of the Soviet Army, are known to be training in tactics reflecting new concepts of the nuclear age, and it is believed that such training is being conducted throughout the Red army. Equipment designed to increased mobility and firepower is being introduced regularly. In fact, practically all Soviet units have been reequipped with military materiel of postwar design and manufacture.

The Soviet Navy is rated as second only to the U.S. Navy in offensive and defensive power. Although the U.S.S.R. has no aircraft carriers, it has the largest submarine force in all the world. This force consists of over 400 units, nearly 75 percent of which are of the long range, ocean patrol type. There is some evidence that a few of these submarines have also been converted so as to be able to fire ballistic missiles. Submarines based along the Murmansk coast and in the Soviet Far East have continuous access to the open seas, and in recent years Soviet submarine activity in the Atlantic and Pacific Oceans has increased, occasionally extending as far as the U.S. coasts.

The U.S.S.R. continues to build new submarines. It is quite probable that some of the units under construction are nuclear powered. The Soviet Navy also has strong surface forces consisting of cruisers, destroyers, mine vessels, and numerous patrol craft.

I observed just a few days ago that a Communist nuclear-powered icebreaker is now in commission.

For the past several years, the overall strength of Soviet air forces has remained at somewhat less than 20,000 aircraft, supported by a complex of modern air facilities and a realistic training program. Khrushchev's statements regarding the obsolescence of manned aircraft appear to be supported by cutbacks in their production. Some high performance aircraft are being produced, however, and research and development continues in the air weapons field.

At the present time, the major Soviet strategic delivery force is still long range aviation, which is composed of more than 1,000 medium and heavy bombers. But it is clear from Soviet statements and programs that the U.S.S.R.'s current emphasis is in the field of missiles and rocketry.

Soviet research and development in missiles began immediately after World War II. For nearly 15 years the U.S.S.R. has conducted a thorough and well-planned effort. The Soviets now have operational missiles both for defense against aircraft, and for offensive use, including types which can be launched from ground-based units, aircraft, and naval vessels. Their major ground-launched delivery systems include mobile missiles with ranges measured in hundreds of miles, capable of reaching most significant Western targets in Europe and Asia. Soviet space launchings and firings into the Pacific Ocean show that the U.S.S.R. has some capability to direct ICBM's at targets as distant as the United States. The importance of ballistic missiles in Soviet planning is amply illustrated by the U.S.S.R.'s recent announcement of the creation of a special rocket force.

In the light of these sobering facts, our future course of action with our friends and allies throughout the world must and will be made clear for all to understand:

We shall continue to search for means of advancing an honorable peace, by patient urging of genuine negotiation for sound first-step progress.

We shall maintain and make more effective our own defenses—our nuclear arsenal, our missile development, and our limited war capability, all designed to deter aggression or, if necessary, to combat it.

We shall reinvigorate our collective security alliances by demonstrating a willingness to contribute our full and fair share in manpower and modern arms to the defensive strength of the free nations of the globe.

We do not intend, by neglect or disinterest, to allow the Soviet bloc successfully to infiltrate the emerging nations of Asia and Africa. We shall continue the world's confidence in America's moral leadership by extending an honest hand of friendship and of assistance to the underdeveloped nations in their fight for progress and freedom.

THE COMING TEST

We are all painfully aware of what happened in Paris. We have seen and been shocked by the arrogance of the Soviet Prime Minister, by his unrestrained vituperation, and by his callous destruction of the summit conference. These events have jolted every one of us into a fuller realization of what survival costs. The free world is once again faced with the naked threat of Communist power, and with the more transparent efforts to frighten our allies and friends and to split the free world apart.

In the coming months our courage, strength, and resolution will be sorely tried. The crisis over Berlin could come to a head. Communist violence in other parts of the world may erupt again: bellicosity in the Formosa Straits, terrorism in Laos and Cambodia, pressure on Afghanistan or India or elsewhere, incitement in South America and greater penetration in Africa.

But we are not alone in the struggle to preserve freedom. Through the mutual security programs of economic and military assistance abroad, we are able to strengthen ourselves and the free world in deterring Communist aggression whether Soviet or Red Chinese.

MSP—ITS HISTORIC ACCOMPLISHMENTS

Let us look backward for a moment to see how the mutual security program came into being and what it has accomplished.

It is no exaggeration to say that this great program, initiated by a Democratic President and a Republican Congress and continued by a Republican President and Democratic Congresses, has been one of the tremendous successes of our national history. In its very first years, it saved two highly strategic and important nations, Greece and Turkey, from Communist domination. It made possible the recovery of war-torn Western Europe with its civilization, love of freedom, its culture, its splendid people, and its great resources. Without doubt, it saved at least three nations—probably more—from Communist takeover at the polls. It preserved Iran on the edge of Soviet power. It helped to save southeast Asia from total Communist domination. It has preserved and reinvigorated all that remains of free China. It made possible the creation of our great NATO alliance and gave it its initial strength.

It is the program which makes possible the availability of 250 forward bases essential to the full meaning and effectiveness of our military strategy of deterrence.

It is this program which contributes to the strength among our allies abroad, so essential to the success of any necessary effort to wage a limited or other kind of war against aggression.

It is this program which holds out to the people of the less developed nations of the world the friendly assistance they need in their tremendous effort to fight their way up from age-old poverty, ignorance, and disease.

It is this program, joined in by other free nations, which provides the free world's answer to the Communist bloc's attempt to woo and win the newly emerging nations of Asia and Africa with lavishly proffered military and economic aid.

It is this program which, in a most significant degree, is the symbol of American leadership in world affairs. In short, this program is the strongest, most flexible instrument available to our Nation and our Government in the conduct of our foreign relations in this most critical period in our history.

If this program did not exist, we would have to invent it.

What would have happened if we had not had this program? What would happen if we did not have it now? Our whole forward strategy of defense would be weakened to the point of collapse. The sources of raw materials essential to our defense and our prosperity would be threatened. Our allies and other free countries would be left at the mercy of Communist threats and subversion; their confidence in and hope for a free world would be shattered.

We would find ourselves more and more isolated in a narrowing world swamped by the widening and engulfing Red tide.

We would be confined to a policy of fortress America—a policy we long ago examined and long ago realistically rejected in this era of nuclear power in which we are now well entered.

Under this strategy, we recognize that the maximum potential military theater of operations today is the entire globe. That underscores the importance of the 250 bases we now maintain abroad.

An important segment of our defensive arrangements is dependent on the contribution by our allies in military forces, in land for missile and naval bases, in military facilities of all kinds, in economic sacrifices by diversion of resources from consumption to military purposes. The constancy of our allies in making their contributions and in refusing to knuckle under to a Communist neighbor is directly proportional to our own unyielding purpose and to our contribution to the joint free-world defense.

The day is near when we will be called upon to vote funds for the mutual security program. By approving the President's program, both the Communist and the free world will clearly see our iron purpose in meeting full-on the Soviet threat.

THE MSP FOR FISCAL YEAR 1961

I turn now to the program the President has proposed for fiscal year 1961. It includes three major elements: the economic programs which we authorized recently; the Development Loan Fund for which the Congress authorized appropriations last year; and the military assistance program for which we have provided an open-ended authorization of funds for 2 years.

Military assistance: Under this military assistance authorization, the President has asked for $2 billion for fiscal year 1961.

This is the sum recommended by a committee of distinguished experts headed by William H. Draper and designated by the President to make the most searching study of the needs of our military assistance program in the context of our overall military security program. This is the sum recommended by the Joint Chiefs of Staff who have said in the most categorical terms that this represents the most economical and efficient use of funds to bolster America's security, and that they would not want one dollar transferred from this use to our regular Defense Department budget.

What is this $2 billion needed for? About $1.2 billion is simply to maintain the present strength of forces on the Communist frontiers in Korea, the Republic of China, Vietnam, Pakistan, Iran, Turkey, Greece, and others of our NATO allies. But an essential part of this program is for the modernization and strengthening of the weapons available to our allied forces; and the tragedy of any cut would be that it would necessarily cut into—indeed, could prevent—this very strengthening and modernization.

I have heard it said as to our European allies that with their improved economies they should carry a greater part of the load; that we should be able to reduce our aid. I agree; and this is, in fact, being done. The percentage of U.S. contribution to NATO defense has declined from 20 percent to 4 percent since 1952. Last year alone the European NATO countries increased defense spending by 11 percent.

This is the first solid accomplishment I want to point to—a greatly improved NATO defense without increase in cost to the American taxpayer. In specific terms, this means:

Thirty missile battalions under General Norstad's command in Europe;

The Thor missile with nuclear capability deployed in the United Kingdom;

Jupiter missiles being installed in Turkey and Italy;

Joint production of Sidewinder and Hawk missiles by European countries;

Modern anti-submarine-warfare capability covering the limited sea outlets of the Russian submarine fleet; and

Greatly increased firepower of integrated NATO land forces which face the 40 Russian divisions in East Germany and Poland.

About one-third of our military assistance money goes to the Far East. The forces we are helping in this theater are nearly all directly confronting superior Communist manpower. In some areas, our weapons and ammunition are used by allied forces in sporadic outbursts of fighting. Taiwan and the offshore islands of Quemoy and Matsu have been reinforced with strong retaliatory firepower. In Vietnam and Laos, we have provided equipment and training against guerrilla warfare which now, thanks to our joint efforts, has been greatly diminished and which presents no immediate threat.

Eighteen Korean divisions defend South Korea against a new invasion from the North, allowing U.S. troops to be reduced to two divisions. These vital land forces are reinforced by a modern Korean air force, naval units, and missile battalions supplied by the United States.

There are a few examples of what military assistance, under mutual security, has accomplished. Without it, our collective security agreements would be little more than contracts of good intentions. Without the forces which we help to arm, either the security of the United States would today be in grave danger, or we would have a defense budget increased many times over the $2 billion we are asked to provide for military assistance.

ECONOMIC AID FOR MILITARY STRENGTH

It would be worse than useless to provide an ally with equipment for military forces if its economy broke under the burdens of supporting such forces. To prevent this, we help 12 of our allies with economic aid in the form of defense support.

The need for such defense support as a supplement to military assistance is self-evident. A war-ruined and underdeveloped country like Korea cannot alone maintain an army of well over half a million men in the free world interest. Small countries like Greece and Turkey cannot bear the whole economic burden of large armies for land defense on the flank of NATO and on the frontiers of the Communist bloc. It would mean economic chaos for these countries to try to meet the whole cost of troop pay and other expenses of outside military forces. We fill the gap through our defense support program. It has a twofold effect. On the one hand, our dollar aid is used to import commodities and capital goods which, wherever possible, contribute directly to economic development. On the other hand, these goods are sold on local markets and the proceeds are used by the local government to meet a part of the costs of their own military establishment.

In countries like Pakistan, Korea, and Cambodia, defense support may be the margin between extinction and progress. In Turkey, largely due to defense support, the gross national product has nearly doubled since 1948. Spain, where vital strategic airbases are now located, with defense support, has shown great economic gains in the past few years.

Mr. President, at a luncheon in the White House today, I had the honor to sit in the presence of representatives of the SEATO countries. I met a number of them. Many of them—perhaps most of them—have skin whose color is different from yours and mine. They represent diverse religions, cultures, and economies. But they are all united in their fierce desires to advance the cause of freedom for themselves and for their people. They stand shoulder to shoulder by the Government and the people of the United States in an effort to deter aggression—and I mean, essentially, potential Communist aggression against the free way of life. They, like Americans, decline to accept the complete regimentation of international communism.

I considered it a great honor to be present. It will be one of my moving recollections of my years in the Senate that I met gallant and proud and able representatives of countries which are members of the Southeast Asia Treaty Organization, all meeting together in this free Capital of ours, to determine the best means by which the security of southeast Asia may be preserved—indeed, may be strengthened.

MUTUAL SECURITY AND ECONOMIC PROGRESS

I think that we are all keenly aware that the strength of the free world rests not alone on military power but on the economic progress of its peoples. This is particularly true in the less developed and the newly independent nations where there is a surging demand for a better way of life.

The United States has been responsive to the aspirations of these peoples. We are providing assistance to them through our mutual security program.

Our chief means for moving skills and investment capital to the underdeveloped countries are the mutual security programs of technical assistance and the Development Loan Fund. The President has asked appropriations of $181 million for technical cooperation, together with $34.5 million for international technical cooperation programs. He has asked $700 million for the Development Loan Fund. These programs are our response to the people of the world struggling for a better life. They make up our front-line defense against Soviet economic warfare. Through them, we heed the urgent pleas of the new nations of Asia, the Middle East, and Africa for help in meeting the enormous problems of their first months and years of existence. Six more countries will become independent in the coming months alone. They need encouragement in their efforts to move forward in freedom.

TECHNICAL COOPERATION—WORKING WITH PEOPLE

Our technical cooperation program—point 4, we call it—is undoubtedly the best known of all our efforts. I shall not dwell on it. Let me assert, however, that the need to build skills, to educate, to train is still fundamental to everything else. In the new countries of Africa, for example, the shortage of trained people is very great. In the Belgian Congo, there are said to be eight college graduates who are not Europeans—and many of the Europeans are leaving as the Congo becomes independent.

Yet we have many solid accomplishments to point to, and together with the United Nations technical assistance programs and efforts of other countries, we are beginning to fill the vacuum in skills, training, and literacy. For example, when the U.S.-financed Agricultural Technical School in Ethiopia opened, 690 applications were received for 68 openings. Each year, 120,000 Turkish Army recruits are learning to read and write under programs developed by American language experts.

THE DEVELOPMENT LOAN FUND

This recently created Fund is the ultimate source of capital for the underdeveloped nations to turn to. In a little over 2 years of operation, the Loan Fund has financed large-scale projects in the basic development fields of transport and communications, power, large industry, and mining. Of special importance, I think, is its success in lending to local development banks in other countries which in turn lend sums of less than $10,000 to small investors. These small loans stimulate private enterprise, create jobs, and help meet the demand for consumption goods in underdeveloped countries. I emphasize that this is a loan program, not a grant program. For example, a single one of these loans, to assist rubber growing in Guatemala, will help employ 17,000 workers, supply rubber for a new tire factory, produce $30 million worth of exports a year, and open to the United States a nearby supply of strategic natural rubber.

The President has asked $700 million for the Development Loan Fund for next year. This is far less than the $1,100 million the Congress has authorized. It is, I think, a logical and laudable request for funds that are desperately needed for the development of nations whose future is important to us. Certainly it should be provided in full.

SPECIAL ASSISTANCE

There are several nations with which we do not have military assistance arrangements, but in whose stability and progress we have the greatest interest. Several of these nations, such as Libya and Morocco, provide us with base rights of the greatest importance. The democracy of Israel receives added strength from this program. Others, such as Jordan, could collapse, leaving the gravest danger of chaos or worse, were it not for our help which we provide through special assistance.

I might mention Tunisia as an example of one country where our special assistance has borne fruit. Three years ago, this small Arab country cut its ties with France, and embarked on an attempt to steer a democratic course against the tides of Arab nationalism and the subverting currents of communism. With the help of special assistance from the United States, Tunisia has recovered from the economic shock that accompanied independence, and has established itself as a dynamic and progressive force in the Arab world. Tunisia's success in reaching its goals through cooperation with the West is carefully watched by the emerging African and neighboring Arab States.

CONTINGENCY FUND

Past experience has taught us that each year there will arise emergencies and contingencies we cannot foresee. Under these circumstances it is wise to have available to the President a contingency fund. The President requested for that fund for next year $175 million, and the Foreign Relations Committee recommended the authorization of that amount. I deeply regret that this fund was cut to $155 million on the Senate floor. The final conference action was $150 million. To my mind, it is only too obvious, under present circumstances, that at least this full sum should be provided for the coming difficult year.

Who knows what the coming year may bring? Why should the hand of any President of our country be shackled in such a way that he cannot have the means by which to meet unforeseen contingencies which might endanger the security of the people of the United States?

ERRORS IN MUTUAL SECURITY ADMINISTRATION

We have heard much this year, as in the past, of individual mistakes in the conduct of the mutual security program. There will probably be mistakes in the future. This is bound to occur when we build complex projects in backward

areas and within primitive economic systems. In my comments, I have deliberately stressed individual instances where we have succeeded. Almost none of these success stories have received attention in Congress or in the American press. For every publicized mistake in this program, for every disappointing project, there are thousands of cases where, because of our efforts, people are eating better, have jobs, are free of disease, are protected against Communist guerrilla tactics or worse, have new land to till, can read and write, have new hope for their children, and have hopes for freedom for themselves, for their families, and for their countries. In the perspective of history, this may become the most important thing the people of America do today as a nation.

CONCLUSION

I do not believe that anyone can honestly doubt the urgency of our need to bind together the nations of the world, still able to make a choice between tyranny and freedom. United in our common purpose, if we act with resolution and determination, in responding to the needs of our free world friends and allies, we will prevent the aggressive plans of the Communist bloc from reaching fruition. If history teaches us anything, it is the tragedy of failing to stand together in times of crisis. In one of his most memorable speeches to the House of Commons, which occurred after the fall of France, Britain's great leader, Winston Churchill, said:

> If we can stand up to him (Hitler), all Europe may be free and the life of the world may move forward into broad, sunlit uplands. But if we fail, then the whole world, including the United States, including all that we have known and cared for, will sink into the abyss of a new Dark Age made more sinister, and perhaps more protracted by the lights of perverted science.

While the 1960's are not identical with the years of World War II, we may be sure that if we fail to stand up to international communism, if we fail to make the exertions which providence requires of us, our failure will draw us closer to the abyss of which Churchill spoke.

But we need not fail. We are on the eve of achieving complete mastery over the fallen forces of nature, on the seas, on the land, and in the air, reaching out toward the stars. It is within our power, as the leader of the free world, to bring a new birth of freedom to men everywhere.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

OVERALL LIMITATION OF FOREIGN TAX CREDIT

The Senate resumed the consideration of the bill (H.R. 10087) to amend the Internal Revenue Code of 1954 to permit taxpayers to elect an overall limitation on the foreign tax credit.

Mr. GORE. Mr. President, the bill now before the Senate, H.R. 10087, should not be considered in isolation, nor can it be taken at face value. This bill would provide a privileged minority of American taxpayers with tax concessions not available to very many. The problem here involved is part and parcel of the larger problem of the proper method of taxing the income earned abroad by U.S. corporations. At the present time, certain foreign taxes are allowed as credits against the U.S. income tax; and, furthermore, the incidence of the U.S. tax varies, both as to rate and as to time levied, with the organization of the foreign operating arm of the U.S. corporation.

Specifically, the bill would allow a U.S. corporation, in taking credit for foreign income, war profits, and excess profit taxes against U.S. income taxes, to apply either the per country limitation, now in effect, or the overall limitation, at the option of the corporation. This bill was originally section 5 of House bill 5, the so-called Boggs bill. For some reason, this part of H.R. 5 was singled out for special treatment. The Treasury opposed the provisions of this bill when such provisions were embodied in section 5 of the Boggs bill, in hearing before the Ways and Means Committee.

The foreign tax credit, considered as a tax package, constitutes one of the glaring loopholes in our tax laws.

To allow any item of expense or expenditure as a credit against taxes, rather than a deduction from income, violates all sound principles of taxation. All such items, where it is proper to consider them at all, should be treated as business expenses and should be deducted from gross income in arriving at the net income subject to applicable tax rates. The foreign tax credit should be abolished, for it is basically unsound in principle and is discriminatory in practice. Failing this, many changes should be made to tighten existing laws and procedures governing this method of handling the income tax on income earned abroad. The bill now under consideration does not do this. On the contrary, it nibbles away a bit more around the periphery of the foreign tax credit loophole, for the benefit of a few taxpayers, of whom not one has demonstrated an inequity under present law.

This is a strange legislative performance, Mr. President—a bill to provide tax favors in the amount of an estimated $20 million annually, when there is at no place in the record a showing of hardship, unfairness, or inequity. There is no equitable or sound argument in favor of the passage of the pending bill.

The Congress of the United States, since our present income tax laws first became effective in 1913, has always maintained the right to tax the income of U.S. citizens or corporations on a worldwide basis. The Congress has never surrendered the right to tax, or to legislate concerning the taxation of, income of U.S. corporations earned anywhere in the world.

This principle is seldom openly attacked. Instead, those who would profit from a broadening of the foreign tax credit loophole seek to do so on grounds varying from expediency to economic foreign policy. Most of the arguments, however, boil down to excuses for requesting tax benefits to which the corporations concerned are not entitled. That is the case here, specifically.

The proper handling of multijurisdictional taxation, foreign or domestic, has long presented a problem. Prior to 1918 all foreign taxes, including income taxes, were treated as deductible expenses, just as were taxes levied by States or local governments within the United States. That is how it should be now. But, as a matter of expediency or accommodation, and on the grounds that American corporations operating abroad were allegedly at a competitive disadvantage with foreign corporations, foreign income taxes in 1918 were placed in a separate category from taxes imposed by domestic jurisdictions; and it was provided by law that foreign income taxes could be either credited against taxes owed to the United States or allowed as deductions from income at the option of the taxpayer.

It is not difficult to guess which choice would usually be made on a profitable foreign operation by a U.S. corporation.

Taxes levied by domestic jurisdictions, States, and local governments, continued to be treated as deductions against income. This, of course, actually operates as a discrimination against business within the United States in competition with business in foreign countries.

Let us take, for instance, two sugar mills, one in Florida and the other in Cuba, or one in Louisiana and the other in Cuba. The taxes paid to the States of Florida or Louisiana would be deducted from the income of the corporation to determine taxable income, but another corporation, or the same corporation doing business in Cuba, would not deduct the taxes it pays to Cuba from income, but it would receive, under the law, a credit against its taxes to the U.S. Government for income taxes paid to the Government of Cuba.

The same thing would be true with respect to an automobile assembly plant or some other operation in Windsor, Canada, and in Detroit, Mich. These examples will serve to illustrate the inequity of the foreign tax credit provision in the law. It is to make the foreign tax credit a little more of an inequity, a little larger tax loophole, a little sweeter benefit to which no entitlement has been shown, that the pending bill is before the Senate. That is the effect of the bill. That is the purpose of it.

In my view, the Senate should be busying itself with eliminating tax loopholes, rather than seeking to make them gradually larger.

There has been at least one determined effort to abolish the foreign tax credit. In 1933 the House Ways and Means Committee designated a subcommittee to "investigate methods of preventing the evasion and avoidance of the internal revenue laws, to consider means of improving and simplifying

such laws, and to study possible new sources of revenue." This subcommittee, sometimes known as the Hill subcommittee, rendered a report to the Ways and Means Committee.

I ask unanimous consent that a portion of this recommendation be printed at this point in the RECORD.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

Your subcommittee recommends complete elimination of the provision of the present law (sec. 131, Revenue Act of 1932) allowing foreign income taxes to be credited against Federal income tax. The present provision discriminates in favor of American citizens and domestic corporations doing business abroad as compared with those doing business in this country. For instance, an American citizen who pays a State income tax is only entitled under the present law to deduct such tax from his gross income in arriving at his net income subject to the Federal tax. He is not permitted to offset his State income tax against his Federal income tax. However, if an American citizen pays an income tax to a foreign country, the present law allows him, under certain limitations, to reduce his Federal income tax by the amount of such foreign tax. Furthermore, a domestic corporation doing business in this country is also only allowed a deduction from gross income for the income taxes paid to the States. However, an American corporation doing business abroad, either directly or through a subsidiary company, is entitled, subject to certain limitations, to offset its Federal tax by the amount of income taxes paid to a foreign country. This discrimination is particularly noticeable in view of the recent decision of the Supreme Court holding that the term "foreign country" as used in the credit sections means not only a foreign state recognized in international law but any political subdivision thereof, no matter how small.

Under the Revenue Acts of 1913, 1916, and 1917, a taxpayer was not entitled to any credit for taxes paid to a foreign country. These early acts permitted taxes paid to a foreign country to be deducted only from gross income, which was also the rule applied in the case of State, county, and municipal taxes.

Your subcommittee is of the opinion that taxes paid to foreign countries should be treated in the same manner as taxes paid to the States and should only be allowed as a deduction from gross income. It is estimated that the elimination of the foreign-tax credit will increase the Government revenues by about $10 million annually.

Mr. GORE. Mr. President, unfortunately, the Treasury Department opposed this recommendation on the grounds that a change would injure American exports. I do not believe such grounds could be supported today.

In spite of Treasury opposition, the Ways and Means Committee, and the House, felt a change in the law was desirable and the revenue bill of 1934, as passed by the House, provided that only one-half of foreign income taxes could be credited against U.S. income taxes. The Senate Finance Committee killed this move.

The credit approach to the handling of foreign income taxes has remained the basic law, although a great many changes have been made from time to time to broaden this favor. At the present time, then, our tax laws provide a haven for foreign income, war profits, and excess profits taxes which is not available to other kinds of taxes. Because of this, many U.S. corporations have established foreign branches or subsidiaries to compete in the U.S. market, sometimes with the product of the domestic corporation itself.

Allowing credit for these foreign taxes rather than treating them as deductions against income, has given rise to many abuses. Companies such as the Arabian American Oil Co., for example, have been able to persuade the governments of the host countries in which their principal operations are conducted to classify royalties and other charges as income taxes, thus denying the U.S. Government many millions of dollars in taxes rightfully belonging, as I see it, to the U.S. Government. I say "rightfully belonging," because in the theory of our system of internal revenue, taxes are levied upon income earned anywhere in the world.

I cannot give the details as to specific U.S. corporations, but I say to the Senate that in executive session of the Senate Committee on Finance I have had an opportunity to examine the tax returns and the tax records of certain U.S. corporations. These returns show income running into enormous figures for corporations which have paid absolutely no taxes whatsoever to the U.S. Government for a period of several years.

The Senate has before it now, despite that situation, a bill to broaden the loophole—only a little, but it is estimated at $20 million annually. Perhaps that is not considered very large, but it takes a great many taxpayers paying a few dollars a week from their pay checks to pay to the U.S. Government the sum of $20 million in taxes.

Some large corporations pay very little, if any, taxes to the U.S. Government. Many abuses connected with subsidiaries, including the use of third country tax havens, have been made possible.

Many arguments have been advanced for continuing and broadening the foreign tax credit loophole. Generally speaking, the arguments can be grouped under three general headings:

First. The foreign tax credit is necessary to prevent double taxation. This argument assumes that double taxation—that is, the taxation of the same income by more than one government—is wrong per se. Our tax laws recognize no such principle. There is essentially no difference, so far as a taxpayer is concerned, between a State income tax and an income tax levied by a foreign government. So-called double taxation is not avoided in the case of State taxes by allowing such taxes to be deducted as an item of business expense. What is accomplished is an accommodation which works satisfactorily. The foreign tax credit represents an accommodation, just as does the allowance of the State income tax as a deduction. Either is a compromise. The tax credit, however, is wrong in principle.

Second. It is said that a dollar earned anywhere should be subject to the same tax. This objective, if it is a proper objective, is not achieved by the foreign tax credit. A dollar earned through a subsidiary operating abroad does not bear the same tax burden as does a dollar earned in New York or New Orleans.

Third. It is said that the foreign tax credit encourages private investment abroad. This is the argument which is most often advanced today to justify tax preferences to companies operating abroad. It is true that a desirable ingredient of our foreign economic policy is an increased private investment abroad. Achieving this increased investment by means of tax incentives is not, however, the most appropriate method. Such incentives do not necessarily direct investment into the most desirable channels or into the most desirable areas of the world. There is a great deal of difference, insofar as the furtherance of our national objectives is concerned, between encouraging a manufacturer to begin assembling automobiles in Germany and encouraging a food processor to open a plant in India. The foreign tax credit may promote undesirable development. There are better, more direct, and more manageable means of promoting desirable foreign investment and development.

Several arguments can be made against the foreign tax credit. I should like to invite attention to three which I consider pertinent.

First. The foreign tax credit allows the foreign government to determine the effective U.S. tax rate, operating frequently as a preemption. It has been alleged that many foreign governments have tended to adjust their tax rates to the U.S. rate. Be this as it may, we have given the foreign government, through the mechanism of the foreign tax credit, the power to decide whether the United States can collect taxes on income of U.S. corporations earned abroad at the rate of 52 percent, 20 percent, 10 percent, or 0 percent.

Second. The benefits of foreign tax credits accrue to a relatively few companies. According to a study of this problem made in 1955, it was then estimated that 40 percent of all foreign investment is accounted for by 10 U.S. corporations and 71 percent by 62 corporations. Any concessions made in the form of tax reductions would necessarily accrue very largely to these few corporations. It was estimated that 25 to 50 corporations would receive half the benefits from any tax reductions, and nearly all the benefits from such reductions would be received by 150 corporations.

Third. Benefits accruing to corporations as a result of the foreign tax credit do not necessarily further national objectives. It was formerly felt that most of the benefits derived from the foreign tax credit accrued to export operations and thus benefited the entire American economy. This does not now appear to be the case. On the contrary, the foreign tax credit now encourages the establishment of manufacturing concerns in foreign countries where goods are produced which are in direct competition with American exports or become competitive as imports into the United States. It

would also appear that, except for those corporations engaged in the extractive industries, the foreign investment which is encouraged by the foreign tax credit takes place largely in countries which are already highly developed. The export of capital to such areas may not further national objectives at all, but instead may add to the competition which already exists for American exports and, furthermore, it directly complicates our critical balance-of-payments problem. The foreign tax credit may equally promote the desirable or undesirable.

In amplification of the above reference to national objectives, it is pertinent to cite a few facts.

Many who wish to increase private American investment abroad in the underdeveloped areas feel that such private investment can replace foreign aid. This is not possible. Private investment, with or without tax incentives, goes where it can produce a good return. In most of the underdeveloped countries the public sector must first be built up. Only then will there be a base on which private investment can build.

At the present time, our investments abroad amount to about $29 billion. This is double the amount of our foreign investments only 7 years ago, and the tempo of oversea investment continues to increase.

A great deal of this investment—in fact, most of it—is going where, from a foreign policy point of view, it is not needed and may indeed be harmful to American interests. One of our foreign-policy objectives is to build up the underdeveloped countries of Asia, the Middle East and Africa. We are attempting the economic buildup of these areas in two ways: First, Government funds in the form of mutual security grants, or loans by one of several Government agencies, provide capital to build up the public sector and, in some instances, the private sector of the economy of these countries. Secondly, efforts are being made to encourage private investment in these underdeveloped regions.

It is alleged by those who favor tax incentives that such incentives will encourage private investment in areas where such investment is needed. The facts do not bear this out.

Tax forgiveness applied indiscriminately across the board will not pull investments into the underdeveloped areas. Private investment goes where it can command the highest return without undue risk. Tax forgiveness, if it affects this process at all, merely speeds the flow of funds into the same areas where such funds would flow without tax forgiveness. During recent years new U.S. investment in the underdeveloped countries of Asia, the Middle East, and Africa has amounted to only about $100 million per year, and a great deal of even this small amount has gone into petroleum development in a few countries. Last year, for instance, according to the Wall Street Journal, private U.S. capital in the amount of $439 million moved into Western Europe, $427 million went into Canada, $193 million went into Latin America, and only $145 million was invested in all the other areas in the world. This was new money and does not include reinvestment of earnings in those areas. It seems clear to me these figures indicate that our foreign investment is not being directed into the areas where it is really needed.

The tax incentive has not been a governing factor in the direction of the flow of capital abroad. As an example of this, I cite the fact that U.S. investment in Western Europe increased 135 percent from 1950 to 1959, while during the same period investment in Latin America increased only 92 percent, and the Western Hemisphere Trade Act already gives to Latin American investments a tremendous tax advantage.

I favor American aid to the underdeveloped countries. This uncommitted one-third of the world will play, in the future, a decisive role in world events. As my record will show, I have vigorously supported a progressive, liberalized international trade program.

I favor, also, the extension of technical assistance and economic aid to the underdeveloped areas. There are ways in which the Government can accomplish these objectives. There are ways in which the Government can give direction to programs which will accomplish these objectives.

I think it is undoubtedly true that increased investment in the underdeveloped areas of the world would further the objectives of American foreign policy. I do not believe that tax forgiveness is a proper or efficacious way of directing investment to those areas.

Certainly we do not need increased U.S. investment in Western Europe and Canada, nor do we need increased investment in the extractive industries, particularly oil.

There are at least three reasons for not encouraging additional U.S. investment in the already heavily industrialized areas. To begin with, such investments are likely to create frictions. Secondly, such investments complicate our balance of payments problem, and thirdly, such investments today do not encourage American export as may have been the case 30 years ago, but instead are primarily used to establish manufacturing facilities for the production of goods abroad which not only compete with our own exports, but even come back into the American market to compete with goods produced here at home. Let me expand on these thoughts briefly.

As for American investments creating friction abroad, we are just now beginning to experience such friction. Let me give one example, however, of what we may expect to become more acute in the next few years. Geneva, Switzerland, has become a center, largely due to the Swiss tax structure, for U.S. holding companies. Switzerland is what is often referred to as a third country tax haven.

Americans are moving into Geneva at a rapid rate. So far, most of the citizens of Geneva appear to welcome the influx of Americans. The Union of Patriotic Societies, however, an organization said to be somewhat comparable to the American Legion, has begun to complain of the housing shortage and the fact that foreigners are moving in to make the situation even more acute. According to the Wall Street Journal:

> Most U.S. firms are beginning to soft-pedal talk of their Swiss operations for fear of stirring up more local opposition. Complaints already have attracted the attention of U.S. diplomats.

As I said, Mr. President, we are just beginning to see some of the friction and hear some of the complaints caused by increased American business activity abroad. We can expect a great deal more of this sort of thing, particularly in Western Europe, Canada, and certain Latin American countries as local firms begin to feel the pinch of competition from American-owned enterprises.

As for our balance-of-payments problem, this problem has been acute for the last few years and our loss of gold, coupled with the increased holdings of dollar balances in this country by foreign interests, has caused concern.

Contrary to the thinking of some, our adverse balance-of-payments position has not been caused by American exports being priced out of foreign markets. It has not been caused by an excess of imports of goods and services over exports of goods and services, as so many seem to think. Indeed, we continue to maintain a favorable balance insofar as goods and services are concerned. The trouble comes when we must make adjustments for military expenditures abroad, foreign aid expenditures abroad, and the movement of private capital abroad. So far as I am concerned, our national objectives will be attained more readily by curtailing the movement of private capital into already developed areas rather than encouraging such movement by offering even more tax incentives.

As for the competition which we are encouraging for ourselves, let me cite some figures. In 1958, U.S. businesses spent 17 percent of their total capital outlays overseas. Preliminary figures for 1959 indicate private overseas investments amounted to at least $2 billion. More startling, perhaps, are future plans of several large American companies. According to the Wall Street Journal, nearly half of Goodyear Tire & Rubber Co. expenditures for expansion and modernization will be spent overseas. General Motors will spend $200 million to expand foreign subsidiaries in future months. Firestone expects to spend 25 to 30 percent of its capital outlays during the next 14 months abroad. Kaiser Aluminum will spend $20 million abroad this year, out of a total 1960 capital outlay of only $25 million. Many other similar figures could be given.

A great deal of the optimism voiced by certain economic prophets in this country is based on the rather large projected expenditures for capital outlays by U.S. business, outlays for expansion and modernization. These spokesmen fail to point out that an increasing percentage of these total outlays represent expenditures abroad. These expenditures do not create jobs for American labor. These expenditures do not

create additional purchasing power within the domestic economy. These expenditures will, over the years, fatten the pocketbooks of a few large stockholders at the expense of the whole American economy.

Let me say again that if investments abroad could be channeled into the underdeveloped areas, I would support appropriate means for such channelization. Tax incentives applied across the board, however, do not operate to channel investment where needed. It merely increases the flow in already established channels.

As I have pointed out, there are serious objections to the foreign tax credit in principle and in practical operation. Aside from the principles involved, however, there are further serious defects in our laws relating to foreign tax credits. The most serious of these are:

First. No tax is levied on the income of subsidiaries until such income is remitted in the form of dividends to the parent company in the United States.

Second. Because of the way in which foreign taxes paid by subsidiaries are credited, it is often possible, particularly if a third country tax haven is employed, to reduce the effective 52-percent U.S. tax rate to an effective rate of slightly more than 40 percent.

Third. The Western Hemisphere trade corporation is an historical accident and should be abolished.

Fourth. Treasury officials do not have proper information as to the activities of foreign subsidiaries of U.S. corporations.

Earlier today the Senate agreed to two amendments which I proposed which will, if finally enacted into law, provide proper and necessary information to the U.S. Treasury. Adoption of these amendments, however, will only partially cure the ills of the foreign tax credit provisions in the law.

To return to the subject bill, H.R. 10087, more specifically, the main reason which has been advanced for its adoption is that some companies regard their foreign operations as one operation and they, therefore, should be allowed to adopt the overall limitation. Other companies, it is said, regard operations in each foreign country as a separate operation and these companies should, therefore, if they so desire, be allowed to use the per country limitation. It is certainly a strange concept of tax law which allows a company to choose any method of computing its tax which it desires merely because such a method comports with the concept which that company holds as to its own operations. This is about as logical as allowing an individual to regard himself as a corporation for tax purposes in any year his income puts him in a bracket higher than 52 percent, and pay his income tax accordingly.

In 1954 the per country limitation was decided on. Insofar as we may wish, and are able, to use tax policy to further national economic policy, this limitation is more appropriate than is the overall limitation. When a corporation opens up a new plant or undertakes a new operation in a new country, it is quite likely to undergo a loss for a few years in that country. In such a case the company is generally better off under the per country limitation than under the overall limitation. Existing law, to that extent, does encourage U.S. corporations to begin new operations in new, and it may be hoped, underdeveloped countries.

The amendments adopted by the Senate Finance Committee are excellent and do much to make this bill more nearly acceptable. Despite these improvements in the bill, however, it still represents an effort to enlarge an existing loophole in the tax laws without justification. This bill will result in an annual loss of revenue to the U.S. Government of about $20 million. In effect, a gift of this amount will be made to taxpayers who have shown neither need nor deserts to such largess. This is another example of a special bill to give tax relief to "somebody"—usually a few—when the crying need is for more equitable tax laws for all.

Mr. President, tomorrow I expect to ask to have considered my amendments Nos. 5–26—60 B, C, and D, which are at the clerk's desk and available for all Members. I hope that the Senate will give careful consideration to these amendments, and I shall address the Senate on this subject further tomorrow.

ADJOURNMENT

Mr. GORE. Mr. President, if there is no further business to come before the Senate at this time, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 36 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, June 1, 1960, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate May 31, 1960:

IN THE ARMY

The following-named officer, under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

Maj. Gen. Lionel Charles McGarr, O17225, U.S. Army, in the rank of lieutenant general.

CONFIRMATION

Executive nomination confirmed by the Senate May 31, 1960:

U.S. DISTRICT JUDGE

Oren R. Lewis, of Virginia, to be U.S. district judge for the eastern district of Virginia.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 31, 1960

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Hebrews 10: 22: *Let us hold fast the confession of our faith, without wavering, for He who promised is faithful.*

Almighty God, whose bountiful providence is everywhere and continually supplying us with Thy grace and goodness, may we seek to bring our daily life into perfect tune with the beneficent spirit of our blessed Lord and in sympathetic touch with the needs and longings of humanity, in its weakness and weariness.

Deliver us in these turbulent and troublous times from all resentful and rebellious tempers of mind lest we become too indifferent to face life's challenging demands with faith and too discouraged to look with hope for the dawning of a better day.

May our moods of frustration and despondency be supplanted by a faith that is not merely a theory or a tradition but a dynamic reality, making us aware and responsive to Thy conquering love and sustaining us with courage as we aspire and struggle to build the kingdom of peace and good will.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of Friday, May 27, 1960, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1617. An act to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes; and

S.J. Res. 127. Joint resolution to help make available to those children in our country who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to help make available to individuals suffering speech and hearing impairments those specially trained speech pathologists and audiologists needed to help them overcome their handicaps.

MILITARY CONSTRUCTION AUTHORIZATION, 1961

Mr. VINSON submitted a conference report and statement on the bill (H.R. 10777) to authorize certain construction at military installations, and for other purposes.

GOVERNMENT SUBSIDY FOR AIR CARRIERS

Mr. MACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MACK. Mr. Speaker, on Friday of last week I was pleased to learn that Capital Airlines had withdrawn its request for a $12 million subsidy. This was a wise decision on the part of Capital management because I do not believe that it would have been right for the Civil Aeronautics Board to grant this subsidy. Furthermore, I do not believe the Congress would be receptive to the idea of appropriating $12 million each year for a grant to one airline. I regret

that Capital Airlines has encountered these financial difficulties but I do not feel that the public trough is the place to solve them.

Two weeks ago the distinguished gentleman from Ohio [Mr. VANIK] and I introduced bills to prohibit the payment of subsidy to a domestic trunk carrier. Our action was not aimed at Capital, but I am elated that the CAB did not open the door in this case.

There is no reason for any domestic trunk carrier to return to subsidy. This is no longer an infant industry. The trunk carriers have been operating for over 22 years and have found their place in the transportation world. Like all business their problems such as financing will continue. Tremendous amounts of money will be involved. Airplanes of the future will cost between $5 million and $50 million each. While it will be difficult for the airlines to arrange satisfactory financing, I certainly do not want the Congress to open the door to these staggering subsidy figures.

Mr. Speaker, I have today requested that my Committee on Interstate and Foreign Commerce hold hearings on my bill terminating subsidies for domestic trunk carriers. I am hoping that this Congress will enact my legislation so that this problem of Government subsidy for air carriers will not be recurring.

HOME RULE FOR THE DISTRICT OF COLUMBIA

Mr. CURTIS of Minnesota. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, tomorrow I am going to take the floor under special order to discuss the reasons why I believe a petition to discharge the District of Columbia Committee from further consideration of home rule for the District of Columbia and to bring the matter to the House for debate and vote is justified. In my remarks tomorrow I am going to refer to the "Legislative History of Home Rule for the District of Columbia From 1947–60" which I asked the Library of Congress to prepare for me. I am also placing in the RECORD a previous study made by the Library of Congress of September 29, 1954, which gives further information in regard to home rule for the District of Columbia. I wanted these documents to be available for the benefit of the District of Columbia Committee and anyone who might want to take exception to them when I discuss this matter tomorrow.

Herewith follow the two documents:

LEGISLATIVE HISTORY OF HOME RULE FOR WASHINGTON 1947–60

The modern campaign to restore local self-government in the District of Columbia dates from the 1st session of the 80th Congress. There follows a summary of the steps taken in this campaign in the U.S. House of Representatives and the U.S. Senate during the years 1947–60, to date.

EIGHTIETH CONGRESS (1947–48)

On May 29, 1947, the House approved House Resolution 195, which authorized its Committee on the District of Columbia to investigate and study reorganization and home rule for the District of Columbia. House Resolution 228, providing $15,000 for the study, passed the House on June 12, 1947.

Mr. DIRKSEN, then chairman of the House District of Columbia Committee, assigned the task of making the investigation and study to the Home Rule and Reorganization Subcommittee whose members were Mr. Auchincloss, chairman, and Messrs. McGarvey, Allen, Jones of Washington, Jones of Alabama, Deane, and McMillan.

At the request of the subcommittee, the Legislative Reference Service of the Library of Congress reviewed the many previous studies of the District government and prepared a report on the organization and administration of the District government which was published as a committee print. The Legislative Reference Service also prepared a series of illustrative charts showing the organization of agencies providing governmental services to the District of Columbia which, together with an explanation, were also published as a committee print.

From June 30 to July 25, 1947, the subcommittee held a series of hearings on proposals for home rule and reorganization of the District government. On the basis of its hearings and studies, the subcommittee issued a preliminary report, dated November 2, 1947.

Following this a bill was prepared for the study of the subcommittee, providing for home rule and reorganization in the District of Columbia, and was introduced as H.R. 4902 by Mr. AUCHINCLOSS on January 12, 1948. On the same day a companion bill, S. 1968, was introduced in the Senate by Mr. Ball. These bills were accompanied by a House report, dated January 12, 1948. A subcommittee print explaining H.R. 4902 and S. 1968 was issued on February 2, 1948. At the same time a memorandum on the constitutionality of these measures, prepared by House legislative counsel, was released as a committee print.

On February 2–10, 1948, joint hearings were held before the House and Senate Subcommittee on Home Rule and Reorganization, sitting jointly, on H.R. 4902 and S. 1968. In the light of testimony received at these hearings, the bill was further refined and reintroduced by Mr. AUCHINCLOSS as H.R. 6227 on April 14, 1948, accompanied by a revised report.

The full District of Columbia Committee held meetings for the consideration of H.R. 6227 on April 21, 26, and May 3, 4, 1948, and approved the bill for report on May 4, 1948. On May 6, 1948, Mr. AUCHINCLOSS submitted H.R. 6227 and the accompanying report, No. 1876, to the House. The House debated the bill on May 24 and 25 and passed two test votes on the measure, but did not complete consideration of the bill which was laid aside and remained the unfinished business of the House at the end of the 80th Congress. No further action was taken in the Senate on S. 1968.

EIGHTY-FIRST CONGRESS (1949–50)

On March 23, 1949, Senator Kefauver (for himself and Senators Hendrickson, Hunt, McCarthy, McGrath, Miller, Neely, and Schoeppel) introduced S. 1365, to provide for home rule and reorganization in the District of Columbia. S. 1365 was referred to the Senate District of Columbia Committee and by it to its Subcommittee on Home Rule on March 25, 1949. On April 7, 1949, the same group of Senators and Mrs. SMITH, of Maine, introduced S. 1527 in lieu of S. 1365. S. 1527 was referred to the Home Rule Subcommittee on April 8, reported favorably in the Senate on April 19, 1949 (S. Rept. No. 271), passed the Senate on May 31, 1949, without a record vote and was referred to the House District of Columbia Committee on June 1, 1949.

Meanwhile, three bills providing for home rule and reorganization in the District of Columbia had been introduced in the House: H.R. 28 by Mr. AUCHINCLOSS on January 3, 1949; H.R. 2505 by Mr. Marcantonio on February 8, 1949; and H.R. 4981 by Mr. Klein on June 2, 1949. These bills and S. 1527 were referred to the Judiciary Subcommittee of the House District of Columbia Committee as well as to the District Commissioners for their suggested amendments which were subsequently received on July 14. Hearings on all four home rule bills were held by the Judiciary Subcommittee on June 28, 29, July 7, 14, 15, 20, 25, and 27, 1949, and were printed. On August 16, 1949, the subcommittee tabled S. 1527 and H.R. 4981. On August 19 the full committee sustained this action of the subcommittee. On October 14, 1949, Mr. KENNEDY of Massachusetts filed discharge petition No. 19 on S. 1527, but the District Committee was not discharged from further consideration of the home rule bill because of insufficient signatures on the discharge petition. The number of signatures then required was 218, and it was reported in the press that only 196 Members of the House had signed the petition.

EIGHTY-SECOND CONGRESS (1951–52)

Six bills providing for home rule and reorganization in the District of Columbia were introduced in the House in the 82d Congress: H.R. 1940, by Mr. Buchanan, on January 23, 1951; H.R. 2093, by Mr. Klein, on January 25, 1951; H.R. 2103, by Mr. Tollefson, on January 25, 1951; H.R. 2104, by Mr. Widnall, on January 25, 1951; H.R. 2797, by Mr. Miller of California, on February 20, 1951; and H.R. 4857, by Mr. Klein, on July 18, 1951. All these bills were referred to the District Commissioners for their comments and to the Judiciary Subcommittee for its consideration. The subcommittee considered the first five bills on February 27, 1951, and postponed action.

Meanwhile, three bills providing for home rule and reorganization in the District of Columbia were introduced in the Senate in the 82d Congress: S. 656 by Mr. KEFAUVER and 10 other Senators on January 24, 1951; S. 1237 by Senator CASE of South Dakota on April 2, 1951; and S. 1976 by Senator CASE and 21 other Senators on August 9, 1951. Hearings were held on S. 656 before the Senate Subcommittee on Home Rule and Reorganization on February 20–22, March 1 and 5, 1951, and were printed. On April 3, 1951, the subcommittee reported S. 656 favorably with amendments. On April 11 the full District Committee deferred action on the bill. And on April 25 a motion to report S. 656 was rejected by a tie vote of 6–6 in the full committee.

On August 9, 1951, S. 1976 was introduced jointly by 22 Senators as a substitute for S. 656. On August 10, S. 1976 was referred to the Home Rule Subcommittee which held a 1-day hearing on it. On the same day S. 1976 was reported favorably by the full committee (S. Rept. No. 630). It passed the Senate on January 22, 1952, without a record vote and was referred to the House District of Columbia Committee the next day.

On January 24, 1952, S. 1976, the Senate-passed home rule bill, was referred to the Judiciary Subcommittee of the House District of Columbia Committee which held hearings on it on March 17, 18, 19, 24, and 25, and April 1, 1952. The hearings were printed. On May 9, 1952, the subcommittee considered S. 1976 and tabled it. No further action occurred during the 82d Congress.

EIGHTY-THIRD CONGRESS (1953–54)

In the 83d Congress only one home rule bill was introduced in the House. It was H.R. 1395, by Mr. Klein, on January 9, 1953.

It was referred to the District Commissioners on January 14 and to the Judiciary Subcommittee of the District of Columbia Committee on February 5. No further action on H.R. 1395 occurred during this Congress.

In the Senate Mr. CASE of South Dakota, chairman of the District of Columbia Committee, and 31 other Senators, introduced S. 999 on February 18, 1953, to provide an elected city council, school board, and nonvoting delegate to the House of Representatives for the District of Columbia. S. 999 was referred to the Subcommittee on the Judiciary on February 20 which held hearings on it on July 1 (hearings printed), and reported it favorably with amendments on July 8. On July 9, 1953, further consideration of S. 999 was indefinitely postponed in favor of S. 2413, a similar bill which was introduced by the same group of Senators and reported favorably by the full committee on July 23, 1953, in lieu of S. 999 (S. Rept. No. 612). No further action on S. 2413 occurred in the Senate during this Congress.

EIGHTY-FOURTH CONGRESS (1955–56)

In the 84th Congress Mr. Neely, chairman of the Senate District of Columbia Committee, and 33 other Senators introduced S. 669 on January 24, 1955, a bill to provide an elected mayor, city council, school board, and nonvoting delegate to the House of Representatives for the District of Columbia. The full District of Columbia Committee held hearings on this bill on February 3, 16, and 22, 1955 (hearings printed) and reported it favorably with amendments (S. Rept. No. 253) on April 28, 1955. S. 669 passed the Senate on June 29, 1955, by a vote of 59 to 15. The next day it was referred to the House District of Columbia Committee.

No action was taken by the House District of Columbia Committee on S. 669 from June 30, 1955, to February 15, 1956. On the latter date the bill was referred to the Judiciary Subcommittee of the House District of Columbia Committee which considered it on March 5 and decided to hold a hearing at a later date. No further action on S. 669 was taken on the House side during the 84th Congress.

EIGHTY-FIFTH CONGRESS (1957–58)

In the 85th Congress, Mr. Neely (for himself and Mr. MORSE) introduced S. 1289 in the Senate on February 19, 1957. S. 1289 provided an elected mayor, city council, school board, and nonvoting Delegate to the House of Representatives for the District of Columbia. On March 13, 1957, it was referred to the Judiciary Subcommittee, which held hearings on it on July 8, 9, 10, 11, 12, and 23, 1957, and on January 31, 1958. It was considered by the full Senate District of Columbia Committee on March 11 and April 30, 1958.

Meanwhile, Mr. BEALL and 12 other Senators had introduced S. 1846 on April 10, 1957. S. 1846 was a bill to provide for the District of Columbia an appointed Governor and Lieutenant Governor, and an elected legislative assembly and nonvoting Delegate to the House of Representatives. S. 1846 was referred to the Judiciary Subcommittee on April 17, 1957, which held hearings on it on the same dates (listed above) as on S. 1289. On April 30, 1958, S. 1846 was considered by the full Senate District of Columbia Committee and ordered reported favorably with amendments. On June 16, 1958, S. 1846 was reported favorably to the Senate (S. Rept. No. 1715). On August 6, 1958, it passed the Senate with amendments by a vote of 61 to 22. The next day it was referred to the House District of Columbia Committee.

Meanwhile, in the House of Representatives two bills were introduced: H.R. 1002, by Mr. WIER, on January 3, 1957, to provide an elected mayor, city council, school board, and nonvoting Delegate to the House for the District of Columbia, and H.R. 6907, by Mr. Simpson of Illinois, on April 15, 1957, at the request of the District Commissioners, to provide an appointed Governor and Lieutenant Governor for the District and an elected legislative assembly and nonvoting Delegate to the House. Mr. WIER's bill was referred to the Judiciary Subcommittee on February 4, 1957, and Mr. Simpson's bill was likewise referred on April 17, 1957. No further action was taken on either of these bills.

After S. 1846 had passed the Senate and been referred to the House District Committee on August 7, 1958, it was referred on August 19, 1958, to the Subcommittee on Police, Firemen, Streets, and Traffic. No further action on S. 1846 occurred on the House side during the 85th Congress.

EIGHTY SIXTH CONGRESS (1959–60)

In the 86th Congress two home rule bills were introduced in the Senate: S. 659 by Mr. BIBLE, by request of the Board of Commissioners, on January 23, 1959; and S. 1681 by Mr. MORSE on April 19, 1959.

S. 659 provided an appointed Governor and Secretary for the District, and an elected legislative assembly and nonvoting Delegate to the House. On January 28, 1959, S. 659 was referred to the Judiciary Subcommittee which held hearings on it on April 15, 16, 17, 20, 30, May 1 and 15, 1959 (hearings printed). On June 24, 1959, S. 659 was favorably reported by the subcommittee with amendments. On June 30, 1959, it was indefinitely postponed by the full Senate District of Columbia Committee in favor of S. 1681.

Meanwhile, the Senate Judiciary Subcommittee also held hearings on the Morse bill, S. 1681, a bill to provide an elected mayor, city council, school board, and nonvoting Delegate for the District of Columbia. Hearings on the Morse bill were held on April 17, 20, 30, and May 1 and 15, 1959 (hearings printed). On June 24, 1959, S. 1681 was reported favorably by the subcommittee. On June 30 it was considered and ordered favorably reported with amendments by the full District Committee. On July 7, 1959, it was so reported (S. Rept. No. 477). On July 15, 1959, S. 1681 passed the Senate with amendments, without a record vote. This was the fifth time since 1949 that a home rule bill in some form had passed the Senate. The next day it was referred to the House District Committee.

During the 86th Congress 26 home rule bills have been introduced in the House of Representatives. Of this number, 23 bills provide for an appointed Governor and Secretary for the District of Columbia, and an elected legislative assembly and nonvoting Delegate to the House; two bills provide for an elected mayor, city council, school board, and nonvoting delegate to the House; and one bill provides for an elected commission form of government for the District. Simultaneous hearings on all these bills were held by Subcommittee No. 3 of the House District Committee on 7 days: July 28, August 3, 7, 14, 19, 26, and September 2, 1959. The hearings have been printed, but no further action on these bills, or on the Senate approved bill (S. 1681), has been taken by the House District Committee or its Subcommittee No. 3.

On August 10, 1959, Representative FOLEY, of Maryland, a member of the District Committee, filed a petition (H. Res. 339) to discharge the Rules Committee from further consideration of a special rule taking his home rule bill, H.R. 4633, from the District Committee and bringing it to the House floor. It has been reported in the local press that upward of 190 Members of the House had signed this petition by April 27, 1960. Two hundred and nineteen signatures are required to effect the discharge under the rule.

HOME RULE FOR THE DISTRICT OF COLUMBIA

For the past several years the question of home rule for the District of Columbia has been a subject of considerable controversy among Washingtonians and the cause of much discussion, factfinding, and soul searching by Members of Congress. It is not surprising that this has been the case, for the issue of home rule is both complicated and important. It is complicated because it involves problems of constitutional law, the American tradition of local self-government, the stake of Congress and the Nation in the National Capital, questions of economic and sociological importance, the problem of what the residents of the District really want, and the very practical question as to what system of government would best serve the needs of the community. It is important because about 850,000 Americans living in the Capital City of the country which has become the world leader among democratic nations do not have the right to vote, normally the hallmark of a democratic republic.

The term "home rule" apparently has meant different things at different times, and occasionally it has meant different things at the same time to different people or different groups who were discussing it. For example, it has at times been confused with, or associated with, some form of national representation; that is, the election by the District of either a Delegate or Senators and Representatives to Congress. Very generally speaking, home rule means the election of local officials—a mayor, council members, etc.—by the people and the establishment of a local government which these officials would administer. This government would function under a broad grant of powers from Congress, but the ultimate authority to repeal or amend the local government's laws, or to enact laws independently of the local government, would still lie with Congress, as it must under the Constitution.

The home-rule controversy is not something that has suddenly appeared in recent years. Indeed, it dates at least as far back as 1800, when the Federal Government was established in the District of Columbia. In a sense, it may be said to be even older than that, because the government of the District, whether by home rule or not, is provided for in the Constitution. Since the controversy is old, and since it is both complicated and important, it would seem advisable, in order to understand its present significance and meaning, to examine briefly its past history.

EARLY HISTORY OF HOME RULE [1]

On February 27, 1801, the Congress, which had just settled in Washington after moving from Philadelphia, passed its first law affecting the District. It did not provide for much in the way of government, but it did suffice until the act of May 3, 1802, gave the District its first complete government. This government was characterized by a city council elected by the people and a mayor appointed annually by the President. At that time

[1] Congressional Digest, Washington, vol. 31, No. 12, December 1952: 292–293.

F. Elwood Davis, spokesman for the Washington Board of Trade. Statement before the Senate Committee on the Judiciary. Mimeographed transcript. May 20, 1954.

George B. Galloway, "History of Home Rule in the District of Columbia," Legislative Reference Service typed report.

Theodore W. Noyes, "Our National Capital and Its Un-Americanized Americans" (Washington), Judd & Detweiler, Inc., 1951.

Washington Home Rule Committee, "The Story of Home Rule," mimeographed, undated.

there were within the "10 miles square" of Federal territory five separate local administrative units: a corporation and a county named Washington, a corporation and a county named Alexandria in the land ceded by Virginia, and the corporation of Georgetown. These local governments, which elected their own officials, were not disturbed by any congressional action.

On May 4, 1812, Congress amended the law so that the mayor of Washington was elected by the city council and the board of aldermen in joint session. Both the alderman and the council members were elected by the people. Eight years later, on May 15, 1820, the organic law governing the District was changed to permit the people to elect directly the mayor as well as the council and the board of aldermen.

After the act of 1820 there were no important changes until 1846. In that year the people of Alexandria, at a mass meeting, resolved that "our citizens * * * have been placed in a state of political degradation * * * in having withheld from them the passage of needful and wholesome laws and in being denied the rights and privileges enjoyed by our fellow citizens of the Republic." They asked that Congress break their political shackles and grant them retrocession. That same year the land in the District south of the Potomac River was retroceded to Virginia.

In 1871 the Congress, apparently in an effort to expedite badly needed city improvements, ended home rule for the District and established a territorial form of government. A Governor was appointed by the President with the consent of the Senate, and the people were entitled to elect a Delegate to the House of Representatives and to elect the 22 members of the House of Delegates. The 11-member Council and the members of the important Board of Public Works were appointed by the President.

Three years later this territorial government was abolished as a result of threatened bankruptcy brought on by a too expensive program of public works in the light of the economic crisis of 1873 and by the failure of Congress to appropriate adequate funds in lieu of taxes on Federal property in the District. By this act of June 20, 1874, local suffrage was abolished and an interim commission form of government was set up. The next year Congress abolished the provision for a District Delegate to the House of Representatives. On June 18, 1878, the interim government established in 1874 was made permanent, and this commission form without local suffrage has operated without any basic alteration down to the present time.

For almost half of the history of the District of Columbia, from 1801 to 1871, the residents of the District possessed some measure of home rule. From 1871 to 1874 they were represented in Congress by their elected Delegate. The present home rule controversy is, then, not so much an effort to gain something entirely new, but rather it is an attempt to regain in some form something that was enjoyed for 70 years but has been lost for over 80 years.

RECENT HISTORY OF HOME RULE MOVEMENT

The modern movement toward local government for the District of Columbia began in the 1930's, although Congress made at least one effort prior to that time, in 1922, to do something about it. In that year the Senate District of Columbia Committee held extensive hearings that led to a report in favor of granting suffrage to District residents. In 1933 Senator William King, of Utah, chairman of the Senate District Committee, became the leader of the home rule movement. He promised Washingtonians a new deal in their local government and urged increased powers for the District Commissioners.

Under his leadership, interest in home rule increased among local citizens who began to work out a program and to agitate for its adoption. As early as February of 1933, a committee of the Burroughs Citizens Association had stimulated considerable interest in self-government. The home rule movement continued to thrive during the 1930's, leading, in 1937, to the creation, under the Federation of Citizens Associations, of the District of Columbia Suffrage Association, which resolved to continue working for local self-government.

There was little talk of home rule during World War II, but in 1946 the Central Suffrage Conference was created. The conference is a coalition of several local civic organizations, including the Federation of Women's Clubs, the CIO, the A.F. of L., and the League of Women Voters. Its objectives are to obtain an elected city government, national suffrage, and representation in Congress in the form of a District delegate in the House of Representatives, a District primary law, and the setting up of local election machinery.

Another organization that is very active in its efforts to obtain home rule for the District is the Washington Home Rule Committee. This group was organized about 7 years ago, and was incorporated on September 15, 1953. It publishes the Home Rule News and other informative literature designed to aid in its drive to restore local self-government, and the right to vote to the citizens of Washinto.[2]

Many Members of Congress have given much time and thought to the home rule problem since 1946. At least one home rule bill has been seriously considered by each of the last four Congresses, but none has ever been enacted into law. Perhaps the most extensive study of home rule ever made was undertaken during the 80th Congress, 1947–48, by the House Subcommittee on Home Rule and Administration under the chairmanship of JAMES C. AUCHINCLOSS, of New Jersey. The general provisions of the Auchincloss bill and of the other major bills since 1948 dealing with home rule will be discussed a few pages below.

PUBLIC OPINION ABOUT HOME RULE

What do the residents of the District of Columbia think about home rule? This question has been asked several times in several ways in the past few years. From an examination of straw polls, plebiscites, and the primary election of 1952, it may be possible to get some idea of how the people feel about home rule.

Perhaps the most widely known sampling of opinion, the one most frequently mentioned, was the poll conducted by the Washington Post, the outcome of which was published in that newspaper on February 1, 1948. The total number of persons interviewed was not mentioned. These results indicated that 70 percent of those questioned favored home rule, 20 percent opposed it, and the rest were undecided. The poll participants preferred an elected school board by 62 percent to 22 percent, while 16 percent voted "don't know." Of those expressing a preference, 43 percent voted in favor of a city manager as against 39 percent favoring a mayor. Nonpartisan elections were favored by 59 percent to 22 percent, with 19 percent expressing no opinion.[3]

The Washington Board of Trade has conducted two citywide straw votes on the home rule question. The results of the first, in 1938, showed that 82,971 favored local self-government and 10,757 opposed it. Their second poll, in 1946, brought out 116,559 votes for home rule and 49,669 against it.[4] The board of trade has also twice polled its membership (not the public at large) on the question of home rule and national representation. In 1949 the membership was asked this question, "Do you think 'local suffrage' without representation in Congress is desirable?" This brought out 2,061 negative answers to 219 affirmative replies. A similar membership survey in 1952 elicited 1,297 "no" answers to 119 "yes" replies.[5]

There have been other expressions of public opinion that may be of limited value because of the size of the group that was polled, the limited and special interests of the group, or for some other reasons. For example, in connection with the District of Columbia Democratic primary in June of 1952 for election of delegates to the National Democratic Convention, a referendum was held on the home rule issue. Home rule was supported by 14,043 voters and opposed by 930.[6] Although this may be an accurate picture, it expressed the views of fewer than 15,000 Washingtonians. Another expression of opinion resulted from a nationwide (not just District residents) Gallup poll in 1948. This indicated that 77 percent of the American public throughout the United States favored home rule for the District.[7] In 1951 the Federation of Citizens Associations, which had 80,000 members, went on record through its delegates and president in favor of home rule, but a poll of 65 neighborhood member associations revealed that 17 approved the Kefauver-Case home rule bill, 23 took no position, and 25 opposed it.[8]

SOME LEGAL ASPECTS OF HOME RULE[9]

The fundamental legal status of home rule for the District of Columbia is determined by article I, section 8 of the Constitution, which states that Congress shall have the power "to exercise exclusive legislation in all cases whatsoever over such district (not exceeding 10 miles square) as may, by cession of particular States and the acceptance of Congress, become the seat of the Government of the United States, and to exercise like authority over all places purchased by the consent of the legislature of the State in which the same shall be, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings."

Although the home rule issue has always been a source of legal argument, there is universal agreement among all disputants on two broad and basic points. The first is that national representation for the District would beyond all doubt require an amendment to the Constitution. This does not apply to various plans for District delegates. The second point beyond the realm of controversy is that under any form of

---

[2] Most of this information was taken from the Galloway report and by telephone from the Washington Home Rule Committee and the board of trade.

[3] The Washington Post, Feb. 1, 1948.

[4] Meyer Jacobstein, national representation in the District of Columbia; Legislative Reference Service typed report.

[5] Edward F. Colladay, spokesman for Washington Board of Trade, statement before the Subcommittee on Constitutional Amendment of the Senate Committee on the Judiciary, mimeographed transcript, May 20, 1954.

[6] Washington Evening Star, June 24, 1952.

[7] CONGRESSIONAL RECORD, vol. 98, pt. 1, p. 116.

[8] Edward F. Colladay, spokesman for the Washington Board of Trade; statement before the Senate Committee on the District of Columbia, mimeographed transcript, Mar. 1, 1951.

[9] Some suggestions about this section and clarification of legal points were obtained from William F. Gulledge, assistant counsel to the Senate District of Columbia Committee, and from the home rule specialist of the Washington Board of Trade and the Home Rule Committee.

home rule, no matter how much or how little power might be delegated to the District, the ultimate authority must remain with Congress.

There have, however, long been sharp differences of opinion about how much, if any, authority can be delegated by Congress to the District for home rule and self-government. Advocates of home rule say that the relevant section of the Constitution quoted above was not intended by the Founding Fathers to deny local self-government to the District, but to exclude the legislatures of the States that had ceded land for the District from exercising any legislative power over the area.[10] They quote from the Federalist Papers, No. 43, by James Madison, a principal architect of the Constitution, the following statement: "[The inhabitants of the Federal District] will have their voice in the election of the government which is to exercise authority over them; and a municipal legislature for local purposes, derived from their own suffrages, will of course be allowed them."

These advocates further point out that it has been "the consistent practice of Congress to delegate general legislative powers to territorial legislatures," and that "the authority of Congress to make such delegation is not open to doubt" because several Supreme Court decisions have affirmed it.[11] They add that it is the opinion of such outstanding constitutional lawyers as John W. Davis, Arthur T. Vanderbilt, and Edward S. Corwin that the authority for home rule may be delegated. As their clinching argument, home-rule supporters refer to the Supreme Court decision of June 8, 1953, in the case of the *District of Columbia, Petitioner* v. *John R. Thompson Company, Inc.*[12] Part of the opinion in this case, decided unanimously by the Court, reads as follows:

"It would seem then that on the analogy of the delegation of powers of self-government and home rule both to municipalities and to territories there is no constitutional barrier to the delegation by Congress to the District of Columbia of full legislative power, subject of course to constitutional limitations to which all law making is subservient and subject also to the power of Congress at any time to revise, alter, or revoke the authority granted."

Those who object to home rule for the District on legal grounds declare that the Constitution means exactly what it says. In specific terms, when the Constitution states that Congress shall have the power "to exercise exclusive legislation in all cases whatsoever" over the District, the language is clear, unequivocal, and conclusive. They argue that Congress cannot delegate its lawmaking authority. They refer to a lengthy memorandum submitted in January of 1948 to Representative AUCHINCLOSS by William D. Mitchell, Attorney General during the Hoover administration. This memorandum raised some doubts about the constitutionality of delegating sufficient power for any real home rule.[13]

The opponents of home rule further contend that the analogy between delegating home rule authority to the District and delegating legislative authority to the territories is a false one. The same portion of the Constitution is not applicable to both cases, the fate of the District being determined by article I, section 8, and that of the territories by article IV, section 3. By this latter article, Congress is given the "power to dispose of and make all needful rules and regulations respecting the Territory * * * of the United States." This is a more general grant of power, it is argued, than is conferred by section 8 of article I, which deals with the District.

[10] Galloway, op. cit.

[11] Memorandum with respect to the constitutionality of certain provisions of H.R. 4902 and S. 1968 relating to legislative proposals of the District Council, House Committee on the District of Columbia. Office of the Legislative Counsel, committee print, 1948.

[12] 346 U.S. 100, 109.

[13] Congressional Digest, op. cit.

RECENT HOME RULE BILLS

The home rule movement shifted into high gear in 1948, during the 2d session of the 80th Congress, with the introduction of the Auchincloss bill, H.R. 4902, which, as amended, became H.R. 6227.[14] Each Congress since that time has given serious consideration to at least one home rule measure.

The introduction of the Auchincloss bill was preceded by a year of spadework in the form of an intensive study by a group of political scientists and lawyers. Extensive hearings were held, and testimony was taken from 178 witnesses. In its final form, as H.R. 6227, this bill proposed that a new charter should be submitted to a popular referendum of the District's qualified voters to be accepted or rejected by a majority vote.

The provisions of this bill were very comprehensive, and because it was the first of the modern home rule bills, and in some ways the model for the later ones, it will be discussed in as much detail as space will permit. H.R. 6227 called for a Joint Congressional District Committee to maintain continuous oversight of District affairs and to have jurisdiction over all District legislation. The committee was to have 25 members—13 Representatives, 11 Senators, and the District Delegate. The District Delegate to the House of Representatives would be elected in the even numbered years by qualified District voters. The Delegate would have no voting rights in the House, but he could introduce joint resolutions concerning District affairs, act as spokesman for the District, and relieve other Congressmen of District chores.

Limited home rule for the District was to be achieved through an elected 12-member District Council and an elected eight-member Board of Education. The Board of Commissioners was to be abolished and its ordinance-making function transferred to the Council. The Council was to elect a mayor from its own membership, to enact local ordinances and propose general legislation to Congress, to adopt a District budget, and to appoint the District Manager.

The new charter would have set up a city manager plan of municipal government. The Council was authorized to appoint the city manager for an indefinite term. He could be removed by the council. The manager was expected to be an experienced administrator who would appoint the department heads, look after the employees, prepare the budget, and, in general, direct the entire city administration. The manager was to be charged with carrying out the policies enacted by the council.

The District government was to be modernized, with the 60 scattered agencies consolidated into 12 new departments set up on functional lines. The department heads, appointed by the manager, were authorized to reorganize their departments, with the manager's approval, and to create or abolish offices and positions therein.

H.R. 6227 also provided for a three-member Board of Elections appointed by the President of the United States. Elections were to be nonpartisan. Residents of the District, or any otherwise qualified elector domiciled in the District, could vote. Federal Government and District employees were exempted from the Hatch Act for the purposes of District elections, and District domiciliaries would not have had to surrender legal residence elsewhere. By this dual voting arrangement, these people could vote in the District elections and in State and national elections in the State of their legal residence.

The Federal Government would pay the District 14 percent of the revenues from District sources during the preceding fiscal year, not to exceed $15 million. The Federal interests would be protected by the constant oversight of the joint congressional District Committee, the power of Congress to approve District legislation by joint resolution, the power of the President to veto this legislation, and the power of Congress to annul or amend the charter at any time.

H.R. 6227 was reported favorably by the House District Committe and was cleared by the Rules Committee. Toward the end of the second session it was debated in the House for 2 days and won two test votes. Finally, however, action was delayed upon it, and it was laid aside where it remained unfinished business when the 80th Congress adjourned.

The principal home rule bill considered by the 81st Congress was the Kefauver-Taft bill, S. 1527,[15] reported in the Senate in April of 1948. S. 1527 was based to a great extent upon the Auchincloss measure and closely resembled it in many ways. There were, however, some differences. The congressional District Committees were not changed, and there was no provision for an elected District Delegate to Congress. A nine-member elected District Council, plus two members appointed by the President, was to have ordinance-making powers and legislative powers subordinate to ultimate congressional authority. The District Manager, appointed by the Council, was to have duties similar to those provided for under the Auchincloss plan.

The District government was to be reorganized along the lines of the Auchincloss suggestions. District electors were to have elected a seven-member Board of Education, but the President, with Senate approval, would appoint the five-member Board of Elections which would conduct nonpartisan elections. A five-member Charter Referendum Board was to conduct a referendum on the new charter in November 1949, with a majority vote deciding its fate. The Federal Government was to provide 20 cents for each dollar of local District revenue received during the preceding fiscal year. There were also provisions for limiting the District debt.

The Kefauver-Taft bill was reported favorably by the Senate District Committee, and it was passed by the Senate without a dissenting vote. It was pigeonholed by the House District Committee where it died. A vigorous effort to discharge it finally failed when the discharge petition was signed by 196 Members, 22 short of the necessary number.

In the 82d Congress, 1951–52, the home rule drive was again initiated in the Senate. Senator ESTES KEFAUVER introduced S. 656, which, after modifications suggested by Senator FRANCIS CASE, emerged as the Case-Kefauver bill, S. 1976.[16] This measure had the bipartisan support of 12 additional sponsors in the Senate.

The bill made no changes in the Congressional District Committees. It restored the District Delegate idea in the Auchincloss bill

[14] H.R. 6227 was discussed and is explained at length in the press and in special publications. A large part of this outline of the bill was obtained from a mimeographed paper in L.R.S. files entitled "In Defense of District Home Rule (H.R. 6227)."

[15] The most convenient single source for the outlined contents of this bill is the House committee print entitled "Comparison of Senate and House Bills To Provide for Home Rule in the District of Columbia." Print dated Feb. 20, 1952, and put out by the Judiciary Subcommittee of the Committee on the District of Columbia. It compares S. 1527 and S. 1976, which followed.

[16] Ibid.

and provided for an elected council of 15 members with powers similar to those in previous bills. A mayor, appointed by the President, would have powers and duties similar to those of the city manager of the earlier bills. The mayor would be a skilled administrator charged with overall supervision of the District government. He could veto council actions, but the council, by a two-thirds vote, could override his veto.

This bill did not call for reorganization of the District government, but the mayor and council were empowered to reorganize District agencies. There would have been an elected five-man Board of Education. The Board of Elections and election machinery were provided for in a manner quite similar to that of the Kefauver-Taft bill, and there was a provision for dual voting. Ordinances could be approved or repealed by a majority vote in a popular referendum. No mention was made of a Federal contribution, but there were provisions for limiting the debt. The charter referendum plan was the same as for the Kefauver-Taft bill.

S. 1976 was passed by the Senate in January of 1952 with strong bipartisan support. This bill, however, like its predecessor, was tabled in the House District Subcommittee by a 5-to-3 vote. Once again efforts to discharge it failed for lack of signatures.

The most recent bill that has been given serious consideration by Congress is the Case bill, S. 2413.[17] Introduced originally on February 18, 1953, S. 999 by Senator CASE, present chairman of the Senate District Committee, S. 2413 had the strong bipartisan sponsorship of 31 Senators—15 Republicans and 16 Democrats. This latest Case bill retains many features of the measure from the previous Congress, but it did incorporate some basic changes.

The elected council was retained, but its membership was cut from 15 to 9 members. The council's powers remained substantially the same—to enact ordinances on all matters on which Congress now legislates, with ultimate congressional authority to repeal or amend the council's acts, or to act on its own initiative. The previous bill called for a mayor appointed by the President, but this latest measure would have him elected for 4 years by the people. He would retain the extensive authority and responsibility given him in S. 1976.

The Board of Education would continue to be elective, but its membership was increased from five to nine. The bill also called for a nonvoting Delegate to Congress to be popularly elected. S. 2413 set budget, debt, and tax limitations, forbidding appropriations in excess of anticipated revenues and limiting the city debt to 5 percent of the assessed District valuation. This bill was favorably reported by the Senate District Committee and placed on the Senate Calendar. No action on it was ever taken on the Senate floor, however, and although it will remain technically alive until the 83d Congress expires, it is now dead for all practical purposes.

PRO AND CON ARGUMENTS ABOUT HOME RULE [18]

Speaking very broadly, home rule for the District of Columbia does not appear to be a strongly partisan issue. That this is true is indicated by the extensive bipartisan support that home rule bills have received in the Senate and by the fact that both of the major parties incorporated some form of local self-government or home rule plank in their platforms in 1948 and again in 1952. Each of the past four Congresses has given serious consideration to the home rule question. The 80th and 83d were Republican Congresses, and the 81st and 82d were Democratic. Some of the opposition has been directed against the whole idea of home rule; some opponents, on the other hand, while voicing support for the principle of home rule, have believed for one reason or another that no acceptable plan has yet been brought forward.

Friends and foes alike of home rule have at various times couched their arguments in terms ranging from the sweeping and fundamental constitutional questions involved down to the very limited, refined, and technical aspects of the controversy. The pros and cons of the constitutional problems have already been discussed above in the section entitled "Some Legal Aspects of Home Rule," and the general nature and scope of this report preclude any long and detailed discussion of the more narrow and specialized points at issue. The following paragraphs are designed to present in a broad way both sides of the more general and more frequently heard arguments on the question of home rule.

It seems certain that one of the strongest points put forward by the home rule advocates is that the present arrangement is thoroughly undemocratic and wholly out of keeping with American practices and ideals. The absence of home rule and suffrage in our Nation's Capital embarrasses us before the whole world and mocks much of what we proclaim as the American way. More than 800,000 Americans living in the very heart of democracy cannot vote and have no government of their own choosing. There are 12 States with a smaller population than the District, this argument continues, and the District pays more Federal taxes than each of 25 States. District residents are subject to military and other national obligations. But they cannot vote.

Home rule opponents find it difficult to meet this argument head on. Indeed, they are often inclined to agree with it. They do, however, point out that many people who live in the District are not true residents but simply domiciliaries who maintain legal residence in one of the States and vote by absentee ballot. For many years it has been the position of the board of trade, an influential voice in the home rule controversy, that there can be no real or meaningful home rule or suffrage for the District until the Constitution is amended to permit voting for national representation.

This leads to the dual voting suggestions which would, say the opponents of home rule, mean divided interests or indifference and would not get at the root of the problem. The District would have the form of home rule without the substance. Advocates admit that dual voting is something of an innovation, although they say it has been used successfully in nearby Maryland. They then go on to assert that there is no compelling reason why national representation must be associated with home rule. The two can easily be kept separate and dealt with separately, and, since one of them (national representation) requires a constitutional amendment which cannot be obtained, the linking of the two together can result only in the killing of both. The obtainable half loaf of home rule is better than the unobtainable whole loaf of national representation and home rule.

Home rule advocates feel that local suffrage and self-government would create in District residents an intangible but important sense of pride and responsibility toward their city that they now do not have. Furthermore, an overburdened Congress that now spends some 6,000 man-hours of time and $2 million per session on District affairs could be relieved of much of this load. A National Congress does not make a good city council. The opponents answer that governmental separation of the Federal Government and the District would be artificial since the two must live physically together, and since it is conceded by all that ultimate authority must reside with Congress. The District would become a forgotten orphan at times; at other times conflicts between the two would become inevitable.

Although not strictly or necessarily a home-rule issue, the reorganization of the District government has been closely associated with the controversy and has been embodied in many home-rule bills. Such reorganization and modernization is badly needed, according to home-rule supporters. The opposition has been inclined to say that the District was extensively reorganized in 1952, and that since the commission form of government has worked for three-quarters of a century, why change it now?

Opposition to home rule on racial grounds is certainly a very real and persuasive factor in the minds of many people, although its true effectiveness cannot be accurately measured. Supporters of home rule deplore this as an undemocratic manifestation of prejudice. They state that the 1950 census showed that only about 35 percent of the District population is nonwhite, that the long-range trend does not show a significant increase in the proportion of Negroes to whites, and that Richmond, with a higher percentage of Negroes than Washington, has a successful municipal government based on a plan similar to those suggested for the District. Those who are worried about the racial aspects of home rule point to the public school enrollment in the District, which, according to recent statistics, showed 59,364 Negro pupils and only 40,582 white students. This, they say, carries considerable significance for the future.[19]

Another source of opposition to home rule is the fear that it would mean increased government costs and higher taxes. Furthermore, the Federal Government would no longer feel obligated to contribute to the support of the District. Supporters of home rule counter these statements by saying that there is no reason for these costs to increase or for taxes to climb. If anything, the reorganization associated with home rule should mean greater efficiency and decreased costs. They add that the Federal contribution to the District budget, which was originally 50 percent, has been steadily cut through the years until at times, it has been only about 10 percent.[20] Moreover, home-rule measures already advocated have called for continuation of the Federal contribution in lieu of the untaxable Federal property in the District.

---

[17] The substance of this bill, along with pro and con arguments, is set forth in an undated, mimeographed memorandum put out by the Washington Home Rule Committee, Inc., entitled "What About Home Rule for Washington?"

[18] Congressional Digest, op. cit., pp. 298–314. An extensive discussion of pro and con arguments on home rule.

"Home Rule for the District of Columbia," "American Forum of the Air," vol. 10, No. 9, Mar. 16, 1948.

Mimeographed statements, and other literature already cited, put out by the Washington Board of Trade and the Washington Home Rule Committee, Inc.

Newspaper clipping files, Legislative Reference Service.

Hearings, especially those held by the Judiciary Subcommittee of the House Committee on the District of Columbia in 1952 on S. 1976.

[19] The Washington Star, Sept. 15, 1954.

[20] For the fiscal year 1955, the District of Columbia budget is $169,928,099. The Federal contribution, included in this total, is $21,890,000.

VOLUNTARY FOOD STAMP SYSTEM

Mr. PORTER. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. DINGELL. Mr. Speaker, Congress passed a bill in September of last year to establish a voluntary food stamp system for the distribution of surplus food commodities. Any city desiring to adopt this plan may make an official request to the Department of Agriculture.

The food stamp plan went into effect in February of this year and remains effective until February of 1962. Due to the inefficient and costly methods of distribution presently used by the Department of Agriculture many experts felt that a stamp system would reduce waste, distribution and handling costs, and pilferage.

Detroiters, from the mayor down, were pleased at the possibility of a stamp system. The general superintendent of welfare in the city of Detroit urged that the common council investigate the possibilities of such a program, and as a result the common council unanimously voted a resolution requesting that the city of Detroit be allowed to participate in the food program. The request was duly forwarded to the Department of Agriculture. The Department has arrogantly informed the city of Detroit it is unlikely that any concrete steps for a food stamp system will be taken at all, even though Congress has given the green light.

Now if lecturing or scolding Mr. Benson would hold out even a possibility of some honest consideration of the plight of the needy for a more effective method of distribution of surplus commodities throughout our Nation, I would speak to him on this subject every day in the year but I doubt if this would be very effective. Mr. Benson's consistent inaction, characteristic of this Republican administration, convinces me that he might be of greater service if he were in a different position than that of Secretary of Agriculture.

GOVERNMENT REPORTING BURDENS ON BUSINESS AND LABOR

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. LESINSKI] is recognized for 60 minutes.

Mr. LESINSKI. Mr. Speaker, the House of Representatives, which authorized a study of the reporting burden of Government surveys and inquiries, would like to know about the progress which has been made in this area. As chairman of the Subcommittee on Census and Government Statistics of the Post Office and Civil Service Committee, I am pleased to give you a brief interim report on the many actions we have taken to improve the situation in this area.

The program of our subcommittee, under the authority of House Resolution 78 of the 86th Congress, includes the investigation and study of, first, activities of the Bureau of the Census, with special emphasis on plans for taking the census of population and housing; second, activities of other agencies engaged in data compilation, including regulatory and administrative agencies as well as statistical agencies; and, third, the use of electronic data-processing equipment in statistical and other activities of the Federal Government. The subcommittee is vitally interested in how the use of such equipment affects personnel requirements throughout the Government; more specifically, to what extent it may pose a threat to employee job security.

ACTIVITIES TO DATE

The response to our program has been good from business, labor, and industry. Several hearings have been held and a number of special inquiries have been initiated. Executive and open hearings were held on census plans and on Government agency use of electronic computers for data compilation. The open hearings were published under the titles of "Plans for Taking the 1960 Census," "Final Plans for 1960 Census," "Use of Electronic Data-Processing Equipment," and "Office Automation and Employee Job Security." The demand for copies of these hearings indicates the widespread interest that exists in these subjects.

A major interest of the subcommittee is, of course, the minimization of reporting burden on businessmen and other respondents to Federal data-collection programs. To this end, a detailed and continuing staff study has been undertaken, the fruits of which have included the publication of a preliminary report on "Business Reporting Requirements of the Federal Government." The report includes a description of the Government's complex statistical system and its controls, a discussion of the problems of burden in relation to benefit, case studies of reporting experience of over a dozen different types of companies, a report by the Bureau of the Budget on the disposition of selected paperwork targets, an outline of the ways in which special treatment can be applied to the paperwork burdens on small business, and a number of recommendations. The report has received much attention in the press and in trade and Government circles.

The following letter which I received from Mr. R. W. Markley, Jr., of the Ford Motor Co. is indicative of the interest in this report:

> Thanks very much for the committee print of the preliminary report on "Business Reporting Requirements of the Federal Government." It was very thoughtful of you to send it to me. Because of our interest in this area, we have picked up additional copies from your committee staff for distribution to interested parties in the company.

A letter received from one of the chambers of commerce reads as follows:

> You were most thoughtful to send us copies of the subcommittee's preliminary report on "Business Reporting Requirements of the Federal Government."
>
> Our census committee chairman was high in his praise of your hearing when he reported to our board of directors last week.

One of the effects of increasing Government bureaucracy is an ever-growing flood of forms sent out by departments and agencies. In justice, it should be stipulated that not all of this searching for information is bad. Growth in Federal statistical programs is a natural result of the growth in responsibilities of the Government, as well as of the increasing recognition of the need for factual information in planning and administration by both the Government and private citizens. The trend toward better statistics, facilitated in recent years by the development of scientific sampling techniques and electronic computing equipment, is likely to continue.

Our subcommittee believes that the Government and American business, labor, and society can guide themselves more efficiently when they have timely and accurate statistics to use in decision-making. It does not necessarily follow, however, that better statistical services require an increasing public burden. Strong central control and coordination are necessary to see to it that needs are met with a minimum of cost and effort.

In pursuing its goals, the subcommittee has conducted investigations of particular problem areas, and these examinations have already paid off in a number of instances. In one case, the subcommittee's scrutiny led to the calling off of a proposed annual survey that would have cost the industry concerned—which did not want the survey—hundreds of thousands of dollars per year to fill out the forms. I would like to quote from a letter that I received from the National Coal Association:

> On behalf of the bituminous coal industry. I want to express appreciation to you and your very efficient staff for bringing about the abandonment of the joint Bureau of Census-Bureau of Mines annual survey of mineral industries. We believe that result is in the best interest of all concerned. It certainly prevents our industry from having to assume a very burdensome responsibility of reporting without commensurate benefit. Thank you for the courtesies extended to us during the course of your study of this problem.

In another case, we brought about a reduction in reports required by one of the regulatory commissions which will save companies about $100,000 a year with no loss of needed information. In another investigation, still in progress, we expect to ward off a proposed mandatory recordkeeping requirement which appears to promise little in vital information to the Government, but might cost industry millions of dollars. Another subject of special inquiry has been the reporting requirements on business and labor of the welfare and pension plan disclosure law.

A special feature of the study of business reporting problems has been a review of the particular problems of small businessmen, those least equipped to cope with the information demands of the Government and least equipped to make direct use of the resulting statis-

tics. The subcommittee has explored this area in detail with the associations representing small business, with individual small businessmen, and with the appropriate Federal departments and agencies. Cooperating groups, including the National Small Business Men's Association, have, at the request of the subcommittee, canvassed their members to provide us with a more intensive insight into their problems.

A significant recommendation of the subcommittee is that Federal agencies be required, as part of the survey clearance procedure, to estimate the reporting burden, in dollars or man-hours, that the survey would impose on respondents. This recommendation has met with acclaim from businessmen and other members of the public, and the Federal Government has taken first steps toward putting it into effect. The business-supported Advisory Council and Federal Reports, has recently established a committee of its own on the measurement of reporting burden. This committee, inspired directly by our recommendation, is headed by Mr. William C. Flaherty of the Chrysler Corp.

On the other side of the coin, a survey has been made of all executive departments and major independent agencies to ascertain personnel and payroll figures for data collection and compilation. In House Report No. 1357, entitled "Data Compilation Activities of the Federal Government: Personnel and Contract Costs," it is pointed out that the total annual cost of all Federal data compilation activities is estimated to be $79 million. The Bureau of the Census, usually thought of as the official data collector and compiler for the U.S. Government, accounts for only one-third of this total. The data provide a measure of the total amount of activity and the relative prominence of the various agencies and contractors and will establish a benchmark for measuring future increases and decreases.

As a part of that study, information was obtained on each contract for statistical services let during the past 5 years by a Government agency to any outside organization. The cost of such contracts has averaged over $2 million per year. The details of many of the contracts raise questions as to the public need for the information and the desirability of Federal sponsorship, where the beneficiary of the study is a particular private industry well able itself to finance the survey. A typical example is a $75,000 contract to determine fiber preference of teenage girls among selected items of clothing. The cost of this survey and many others like it was borne by the Department of Agriculture. In the Department's own words, the purpose of the teenage girl survey was that the "information was of value to natural-fiber industry in their development of merchandising and promotional programs." I have written to the Secretary of Agriculture to ask for his explanation of the propriety of spending public funds for commercial services of this type.

We have been studying not only the collection of data, but also the processing, and are looking for opportunities to streamline that phase also. Here the important new feature is the rapid development of electronic data-processing systems. The new devices offer tremendous prospects for faster, more accurate, and cheaper statistical products, but they also present some dangers. One is that overzealous use may make them into gigantic papermills, producing more figures than can be assimilated. The other is the threat to employee job security. As I said at a hearing on the subject, "We need to be ever mindful that to the fullest extent possible employees, both in the factory and in the office, be protected from the impact of automation."

Mr. James Campbell, president of the American Federation of Government Employees, made the following statement at a recent hearing of our subcommittee on this subject:

> The impact upon Government employment of technological changes in Federal Government operations calls for frequent and careful review. Whether those changes are brought about by means of true automation or by improved mechanization of processes already developed, there is a constant need to anticipate and resolve the personnel problems which are almost certain to arise.
>
> This inquiry which has been undertaken by the Subcommittee on Census and Government Statistics of the House Post Office and Civil Service Committee should have tremendous benefit for the Government and even to a greater extent for the employees whose positions and livelihood are threatened by technological advances. In my opinion, it is a very important and a very necessary project which will bear repetition in future months, for the problem at which it is directed will constantly be manifesting changing circumstances and unusual aspects which must from time to time be evaluated anew if their adverse effects upon human values are to be kept to a minimum.
>
> This effort to appraise the underlying problem contained in office automation, if it is to achieve the long-range objective of safeguarding job security, must determine the extent of major technological changes and then formulate and assess the personnel management problems which have resulted from those changes. Such an investigation should provide a firm basis for whatever remedial action may be suggested.

The problems of job tenure attendant upon the introduction of new systems and devices is of especial concern to me, and is a fitting subject of study for the Committee on Post Office and Civil Service, of which my subcommittee is a part. Of course, we are in favor of increased efficiency in Government operations. We want to be sure, however, that the desired improvements, through proper planning and application, do not cause unwarranted injury to faithful and useful employees.

We have studied instances of the introduction of electronic data processing in Federal departments and agencies, and from these are attempting to develop some principles and procedures to be followed in the future. I have been favorably impressed by the approach to the problem exhibited by several agencies, among them the Veterans Administration. In that organization, the first large-scale computer was installed in the Philadelphia district office in July 1959, to maintain insurance records for the more than 6 million policyholders. A second was installed in December 1959 at the data-processing center at Hines, Ill. Smaller computers are being installed at other offices. Many of VA's operations are being integrated and converted to these machines. With them, the massive paperwork of the VA can be handled more expeditiously; better services to veterans can be provided at lower cost; dull, routine tasks can be mechanized; and the human resources of the agency can be utilized at a higher level.

In planning and carrying out the conversion, VA officials have tried to be careful to protect the job rights of their employees, using a set of procedures ordered by the Administrator himself. They include, first, advance planning at all management levels; second, determining at least 6 months in advance the occupational categories and number of employees affected; third, disseminating periodic information to employees about progress; fourth, making available to present VA employees the better job opportunities resulting from automation; fifth, initiating, well in advance, training programs for present employees; sixth, notifying employees who may be subject to adverse action at least 90 days prior to the possible action; seventh, freezing recruitment for at least 3 months prior to effective date of conversion to allow maximum transfer and placement possibilities within the VA for surplus employees.

Electronic data-processing applications already scheduled will make more than 1,200 positions surplus. As a result of the procedures described above, virtually all the incumbents affected to date have been placed, some of them in better jobs, as per qualifications.

Other agencies should follow the VA example, and the Government centrally should encourage and facilitate the use of such procedures. I am pleased to note that the Civil Service Commission has announced a program of central training in certain aspects of electronic data-processing administration.

PLANS FOR FURTHER ACTIVITIES

Plans for the subcommittee's work in the immediate future include a continuing study of office automation and employee job security, and completion of the investigation of statistical work of the Interstate Commerce Commission. The latter is of considerable interest in itself because of the relatively heavy reporting burden laid upon an important sector of the economy by that agency, and useful also as a prototype for investigations of other agencies and subject fields.

Consideration will be given to the matter of conducting the censuts of population and housing more frequently than decennially. Alternative plans, their usefulness, and their estimated costs will be appraised. In all of these considerations the additional costs of more frequent censuses will have to be determined and weighed carefully against the benefits that would result.

It is planned also to conduct hearings on the general subject of transportation

statistics, one of the most poorly organized of the Federal statistical fields. These hearings would include a review of the coordinating function of the Office of Statistical Standards, an examination of the work of the Interstate Commerce Commission and of other agencies which collect and compile transportation statistics, and a determination of the effective status of the act authorizing a census of transportation. Industry representatives would be prepared to testify on the needs for reducing reporting burdens in some parts of the field and for strengthening statistical services in others. As part of the preparation for these hearings, the subcommittee has requested the Bureau of the Budget to make a survey of current Federal programs of transportation statistics.

The subcommittee is continuing its activities, and we expect continued widespread support in our efforts both to streamline and to strengthen Government statistical work.

Mr. OLIVER. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from Maine.

Mr. OLIVER. Mr. Speaker, I wanted to call attention of the House to the fact that it seems to me, as a new member of this committee, that a great deal of importance must be attached to the problem which the able gentleman from Michigan, as chairman of the subcommittee, has been bringing up repeatedly during this past session of Congress.

Mr. Speaker, as a relatively new member of the Subcommittee on Census and Government Statistics, I should like to commend the able gentleman from Michigan [Mr. LESINSKI], for his report on the many important matters that the subcommittee has looked into and taken action on.

We are all concerned about the effect of the introduction of electronic data-processing equipment upon the job security of loyal and valuable personnel. Although representatives of Federal agencies and employee organizations have reported to us that there has not been much actual displacement yet, this revolution is still young. Now is the time for setting up a mechanism for the reassignment of displaced workers who have skills or latent abilities that can be used elsewhere, and for providing retraining where that is necessary. The Government should take the lead in fulfilling this responsibility and set an example for private industry. If legislation is needed, we should provide it.

I know that the gentleman from Michigan, as chairman of the subcommittee, agrees with me in attaching importance to this problem.

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska [Mr. CUNNINGHAM] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, I join my colleagues in endorsing Mr. LESINSKI's report on the activities of the Subcommittee on Census and Government Statistics. In our work as members of the subcommittee, we have acted in a nonpartisan fashion, and the chairman's report speaks for all of us.

No one can doubt that in this age the Government needs a strong system for supplying itself with timely and accurate statistical intelligence, and that it has a responsibility for disseminating this information to the public so that all can share in arriving at the right decisions. We are for good statistical programs, but we are determined that every precaution be taken to assure that the collection of the needed data be accomplished with a minimum of burden upon the businessmen and the others who are the targets of Government questionnaires. We also want to minimize the burden upon taxpayers by seeing to it that statistical operations within the Government are performed with the utmost efficiency.

Efficiency in many cases will mean automation, and this may mean dislocation of employees. I am in accord with my fellow Members in wanting to insure that trained and experienced personnel are not forced out of employment by the introduction of electronic data-processing and other labor-saving devices. I do not want to see potential gains in productivity stifled, but I do want to see the Government do everything it can to cushion the shock through advance planning, adequate notice to affected employees, and the establishment of workable procedures for retraining and reassignment.

THE HONORABLE JOHN LESINSKI

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, I should like to add a few words to the report of my colleague the gentleman from Michigan [Mr. LESINSKI]. It has been a real pleasure to serve as a member of the subcommittee under his able chairmanship, and I want to commend him for the constructive achievements the subcommittee has made to date under his leadership.

Through my service on the subcommittee I have become much impressed with the tremendous potential of electronic data processing in Government and in industry. Like other great forces, it has potential for good and for evil. We need intensive study and planning to make sure that the good is maximized. I am not convinced that the Government centrally has done enough in this field. Not very much is known, for example, on the net gains or losses involved in each electronic computer installation. There may be some cases, I fear, in which a computer has been put in because it is fashionable, without an adequate advance feasibility study. There are probably other cases, conversely, where important savings could be realized through electronic automation, but budgetary shortsightedness has precluded it.

I have learned also that the Government has not yet laid down any policy on whether this expensive equipment should be purchased outright or rented. Nearly all of it at present is rented, although it would appear to me that in the long run rental is bound to be more expensive in most cases.

One of the most important questions, of course, is whether the Government, and industry too for that matter, is doing enough to guarantee that employees displaced through automation are protected from technological unemployment. We may need legislation providing for positive reassignment procedures.

I trust that the subcommittee will continue with the studies it has launched in this field until we get these and other questions resolved.

THE FLAG AND MY FRIEND, WINGATE GREEN, JR.

The SPEAKER. Under previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 60 minutes.

Mr. PORTER. Mr. Speaker, one of my best friends in college was Wingate Green, Jr., of Baton Rouge, La. Wingate was a lively, fun-loving, devil-may-care sort of fellow of great personal charm.

When he went off to war, as did almost all of us in the class of 1941, he became an air cadet and, to my surprise, was elected first officer in his squadron. Like many American boys, Wingate rose to the responsibilities of helping defend his country.

On an ill-fated but important low-level bombing raid by the U.S. Air Force in 1944 over the Ploesti oil refineries in Rumania, B–24 pilot and 1st Lt. Wingate Green, Jr., was killed. He was 24 years old.

When I think what the war did for Wingate and what Wingate did for his country, I wonder what Wingate would think about the world today. Those of us who were spared cannot help but ponder from time to time whether we are by our conduct honoring the memories of our dead friends.

Wingate honored our flag. Today I am filing a bill providing for appropriate treatment of the American flag. There are at present no criminal penalties in Federal law for acts desecrating the American flag. My bill provides suitable penalties.

LEGISLATION TO PROTECT THE FLAG

It came to my attention not long ago that an American flagmaker had sold uncut bolts of flag-printed cloth to buyers in Haiti where a number of persons have been using the cloth for curtains, apparel, and even cleaning rags. The State Department has promised me another report but in the meantime I

thought it necessary to file legislation to help meet this kind of situation and to put more citizens on notice that we regard our flag as worthy of the highest respect.

The text of the bill is as follows:

A BILL TO EXTEND THE APPLICATION OF SECTION 3 OF TITLE 4 OF THE UNITED STATES CODE RELATING TO MISUSE OF THE UNITED STATES FLAG

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of title 4 of the United States Code is amended to read as follows:

"USE OF FLAG FOR ADVERTISING PURPOSES; MUTILATION OF FLAG

"§ 3. (a) Any person who, in any manner, for exhibition display—

"(1) places or causes to be placed any word, figure, mark, picture, design, or drawing, or any advertisement of any nature upon any flag, standard, colors, or ensign; or

"(2) exposes or causes to be exposed to public view any such flag, standard, colors, or ensign upon which is printed, painted, or otherwise placed, or to which is attached, appended, affixed, or annexed, any word, figure, mark, picture, design, or drawing, or any advertisement of any nature; or

"(3) manufactures, sells, exposes for sale or to public view, or gives away or has in possession for sale, or to be given away, or for use for any purpose, any article or substance being an article of merchandise, or any receptacle for merchandise or article or thing for carrying or transporting merchandise, upon which is printed, painted, attached, or otherwise placed a representation of any such flag, standard, colors, or ensign, to advertise, call attention to, decorate, mark, or distinguish the article or substance on which so placed; or

"(4) publicly mutilates, defaces, defiles, defies, tramples upon, or casts contempt (either by word or act), upon any such flag, standard, colors, or ensign.

shall be deemed guilty of a misdemeanor and shall be punished by a fine of not more than $100 or by imprisonment for not more than thirty days, or both.

"(b) As used in subsection (a), the words 'flag, standard, colors, or ensign' mean any flag, standard, colors, or ensign of the United States of America, and any picture or representation thereof, or of any part thereof, made of any substance or represented on any substance, of any size, purporting to be the flag, standard, colors, or ensign of the United States of America or a picture or representation thereof, upon which is shown the colors, the stars and stripes, in any number of either thereof, or any part of either, by which the average person seeing the same without deliberation may believe the same to represent flag, standard, colors, or ensign of the United States of America."

SEC. 2. The amendment made by the first section of this Act shall apply only with respect to offenses committed on and after the thirtieth day after the date of enactment of this Act.

Many young men like Wingate Green gave their lives for the values represented by the American flag. Many more like myself served and were spared. What have we to say about the world today?

Wingate and I, like most good friends of that age, used to have discussions about our long, long thoughts, the ways of the world we saw around us, and the kind of roles we wanted to fill. I wanted to be a Member of Congress. Wingate wanted to be a writer and a professor of English literature.

What would Wingate Green, Jr., of Baton Rouge, La., ask if he were here today? I asked myself this question as I wrote this speech yesterday, Memorial Day, 1960.

Certainly he would inquire whether I thought we were closer to peace because of the sacrifice which he and so many others made in World War II.

Of course we are, I would readily reply. If it had not been for the likes of them and others who survived, some shattered, the Nazis would have prevailed—for a while anyway, with much more bloodshed and damage when they attacked the United States itself.

TENSIONS OF TODAY'S WORLD

Wingate then might ask about the prospects of peace today.

I would have to tell him that in the last 16 years terrible weapons, powerful beyond man's understanding, had been invented, developed, and multiplied. And that colonial nations, almost all of them, had shaken off their chains and were demanding an opportunity to shake off age-old fear, ignorance, and misery.

On top of incredibly powerful weapons and this great effort of underprivileged peoples in underdeveloped countries, I would tell Wingate that we have a lively cold war between the United States and the Soviet Union, with most of the world arrayed on either side but with a substantial number of people trying to stay neutral.

The picture is of a world writhing with people who want a better chance to survive, with people who fear attack by others, and with people who believe that the new weapons are too big for fallible mortals to handle very long without a tragedy of unprecedented dimensions.

WHAT CAN BE DONE

Wingate Green was not a man who gave up easily. He proved that conclusively when he flew his B–24 on the deck into the German ack-ack at Ploesti. He would want to know what could be done about the situation.

I would tell him what I think. I would tell him I do not think any government, however depraved, wants an atomic war or a war with biological or chemical weapons. It would be too terrible for all concerned.

War today is too costly for any nation. Half our annual budget now goes for arms. Experts estimate that even to begin on an antimissile missile system would require at least $100 billion.

Development of former colonies offers many benefits for industrial economies and for the areas themselves. Witness how much better markets we found in Canada and Mexico as their economies developed. Human needs may be limited but not human desires.

What this adds up to, I would tell Wingate, is that any intentional aggression in the cold war is almost unthinkable and that the problems of the impoverished countries are not problems at all but opportunities for the industrialized countries.

The big problem is disarmament.

This, I would tell Wingate, is what needs our immediate and full attention.

Thousands of nuclear weapons exist today, most of them ready for instant dispatch and detonation and all in the hands of fallible, error-prone human beings like you and me. A mistake, a miscalculation, drunkenness, insanity, panic, so many circumstances could result in an unauthorized or accidental nuclear explosion.

TEETERING ON THE BRINK

Then would come the problem of intepreting such an explosion. There would be no witnesses to interrogate, no wreckage to probe. The decision time is shorter every day. Your missiles and your planes have to get off the ground if you are to maintain your retaliatory capacity. You can recall your planes, if you dare, but not your missiles.

Under such circumstances planes from both sides would start on their missions to assigned targets. Why would they be called back, especially if you know the enemy's planes are flying toward you. There is no detectable difference today between an all-out alert for defense and an all-out alert for attack.

We teeter on the brink of annihilation.

Up until the summit meeting it appeared as though tensions were relaxing between the East and West. The leaders seemed to recognize the common danger of the arms race either by bleeding to death economically or by ending civilization, at least in the Northern Hemisphere, in a fashion which from the moon would appear spectacular.

FIVE RECOMMENDATIONS

What do we do about it, Wingate would want to know.

I venture to recommend five measures:

First. Seek increased communication at all levels with all nations but especially the Soviet Union and Red China. I hope that the President's invitation will be renewed and that he will visit the Soviet Union where his presence, his prestige from World War II days, and his statements could do much to relieve the tensions felt there about American "militarism" and alleged "imperialism."

Second. Agree with the Soviet Union on the number of on-site inspections and conclude a nuclear weapons test cessation treaty with the United Kingdom and the Soviet Union. This means a start at long last on an international inspection system that could be expanded as it proved itself.

We must understand that foolproof inspection and total disarmament cannot be attained. The prefect here is the enemy of the good. The atomic, biological and chemical weapons can be too easily hidden. We can only hope to keep them as far from the hands of madmen as possible but all the while expect that inevitably one or more such weapons will be used. When this happens, it is essential that we have a world where such an event or events cannot trigger the fateful all-out massive exchange.

Third. Schedule an all-nation disarmament conference within a year.

This means the inclusion of China, without whom no nuclear weapons test plan can succeed. Any controlled disarmament scheme must also bind China.

Fourth. Press for United Nations Charter reform, first through intensive high-level studies by all nations, and then by setting a date for the long-delayed Charter Revision Conference. Disarmament can only come about through a system of world law. Peace can only come through dynamic controlled disarmament, hence the necessity for updating the Charter adopted in 1945.

Fifth. Repeal the Connally amendment restricting our participation (and that of all other nations) in the World Court. We cannot move toward settling international disputes peacefully until we take this step.

REPAIRING THE SUMMIT BREAKDOWN

No doubt, I would tell Wingate, there are many other important steps to be taken. For example, let us consider the immediate problems of how to repair the summit breakdown. The President has said that the U–2 flights have been discontinued and will not be resumed. Khrushchev wants him to admit that the United States committed aggression by making these flights and publicly express regret for its action. He wants those directly guilty punished.

The President called these demands an ultimatum and stated that he made it clear they would never be acceptable to the United States.

IS THERE ANY WAY TO BREAK THIS DEADLOCK?

Is this an impasse? Will this block further efforts to end nuclear weapons tests and to move deeper into real disarmament before we bankrupt ourselves or blow ourselves up?

Let us consider whether these demands are in fact unreasonable and of the sort that can never be acceptable to the United States. It is plain that Khrushchev himself was unreasonable and rude in coming to the conference to throw a tantrum about flights he had known about for years. He should not have journeyed to Paris for the summit meeting if he wanted these flights stopped, and other assurances given before he would participate in peace negotiations.

It is true, but irrelevant, that these flights were a violation of international law in that they were an unauthorized invasion of the airspace over Soviet territory. Moreover, it is impossible for the Russian radar operators to tell from the blip on their scopes whether or not the plane is armed.

But was the flight an aggression in the sense the word is used by the United Nations? It did not itself offer even a shred of violence. The fact is that the plane was not armed and was no more—and no less—an aggression against the Soviet Union than were the dozen or more Soviet spies we have caught in the United States in recent years.

WE DO REGRET THE BREAKDOWN

Publicly expressing regret for allowing the flight at that time is something else and, in my opinion, entirely in order. We did hope to agree on the number of on-site inspections at this summit meeting and we did hope to continue a lessening of the tensions. Why, then, did we permit such a flight, which we knew would be detected by the Soviets with their radars, to go at that time?

The answer seems to be that the President and the State Department did not know the flight was going at that time. Its precise day of departure seems to have depended on weather conditions, not on anyone's say-so from Washington. If I am wrong about this, then one has to believe that the President cared so little about the possible effects of the flight on the summit meeting that he knowingly permitted the flight to be made at that time regardless of the consequences.

I am sure the President appreciated how enraged and frustrated the Soviets felt about this plane flying over their land and, until May 1, always out of their reach. All the proud Soviet boasts of technical prowess surpassing the United States must have been as ashes in their mouths when they sought unsuccessfully to attack these planes.

Our pride in the performance and mission of our plane must not blind us to the urgent need for controlled disarmament. We may wind up, if we are not more careful, as the smartest as well as the richest nation in the graveyard, a very crowded graveyard at that.

Why not express publicly the regret many of us feel about the errors in high office which led to the U–2 flight at that time? It is likely that even though there had been no mechanical failure, Khrushchev's attitude in Paris could hardly have been expected to be better. After all, if he still could not talk about the U–2 overflights without letting the Soviet people know that intercepting them was beyond Soviet technical ability, he would not be in any mood to negotiate.

THE OVERFLIGHTS WERE PROVOCATIVE

It is likely that the threats to strike the bases from which the U–2 operated, which we hear now from the Soviets, would have been forthcoming, even without the accident that led to the capture of Powers and his plane. Such flights were provocative. They could not be permitted indefinitely under present political conditions.

The flight by Powers on May 1, 1960, was apparently the occasion for Khrushchev's refusal to go on with the summit meetings. Yes, Khrushchev was unreasonable because the flights were no surprise to him and, yes, he was rude in his behavior. Yes, the Power's flight may have been a pretext for scuttling the summit conference, but we have no real proof that it was. More likely, the reason for Khrushchev's outburst was the U.S. indication that the flights would continue. It seems clear that we do in fact regret that this flight was permitted at that time. This is not the same as regretting that Powers and the U–2 were captured by the Russians with the result that our illegal spying operation was exposed for all the world to see. Given the world as it is, we gather information, as best we can, and we do not apologize, but we do have a right to require that our leaders, whether their names be Dulles or Eisenhower, keep control of these operations, so that one of them does not unwittingly interfere with events of such immense and crucial potentialities as a summit meeting.

PUNISHMENT OF THE GUILTY

As for punishment of those "directly guilty," another of Khrushchev's demands, of course this is not feasible if he expects the President to reprimand himself. On my part I am convinced that the President would not have permitted the flight at that time had he been properly informed. Someone, maybe the chief of the Central Intelligence Agency, Allen Dulles, failed in his duty in not considering and transmitting to the President the probable effect of this flight on Khrushchev as he sat at the summit table.

If Central Intelligence or military officials did anticipate this effect and indeed desire it, then it would seem that the President should appropriately and firmly deal with them for working against his announced policies. If these officials simply failed to recognize the possible effects, then the President would do well to find successors for them as soon as possible. I hope the hearings being held by the other body will bring out these facts.

It seems very much in order that the subordinates who failed to anticipate the results of this flight or who sought those results, if they did, should be publicly identified and punished. By their acts, intentional or not, they increased the danger of war and slowed down our painful progress toward disarmament and peace. They did not carry out the announced policies of the President.

THE AMERICAN PEOPLE WANT PEACE

If any acceptable formula can be found to undo the damage done in Paris, Khrushchev will have to modify his position about the flight being aggression and the President will have to climb down from his position that all Khrushchev's demands constitute an ultimatum which the American people can never accept.

It seems to me that the American people wanted this summit conference to succeed, that they regret the U–2 flight was made at this time, that they want the persons responsible identified and punished, and steps taken to see that this sort of thing does not happen again. The American people want peace.

The breast beaters and brave-talking bully boys who glory in a hard line won't like this approach, I would tell Wingate. They will insist that we must not be soft. I do not think it is soft to tell the American people, the people of the world, including the people of the Soviet Union, that we deeply regret that the U–2 flight apparently caused the summit talks to end before they began.

Nobody says that we should apologize to Khrushchev or to the Soviet Government. This might be considered after

they had apologized, convincingly, for their spying activities in this country and elsewhere in the world.

I would have to be frank and tell Wingate that I do not see much disposition among many of our leaders to seek quick repair of the damage done in Paris on May 16. It is easier for many of them to accept the President's characterization of Khrushchev's demands as an ultimatum, and, of course, our Nation never bows before any ultimatum.

NO FEASIBLE ALTERNATIVE TO PEACE

Moreover, many of them see Khrushchev's "demands" as worthy only of rejection but not because of the source worthy of analysis and consideration in terms of our own best interests. I do not agree with them about this.

These men, I would tell Wingate, are very dangerous. They do not recognize the fact that the awful nature of our new weapons has utterly changed warfare from what it was. Truly, today there is no alternative to peace; no feasible alternative, that is, only stark, tremendous, irreparable disaster for mankind.

It has been 16 years since Wingate Green, my close friend of college days, was killed in World War II. For some unknowable reason or reasons usually unrelated to our merits, some of us survived and some of us were killed. Some of us came home to complete our educations, establish our families, start our careers, and enjoy this land over which our flag so proudly flies.

We who came back have a duty to those who did not. That duty is more than a wreath or a warm recollection on Memorial Day. It is the duty to do our level best to make sure that they did not die in vain in the defense of the United States of America.

I am proud of my friend, Wingate Green, Jr., of Baton Rouge, La. I am proud of this land and its people. I am proud of our glorious flag that represents the love we hold for our Nation and our determination to preserve it in the face of all dangers. The dangers braved by Wingate Green are different from the dangers we face today. Our response to the challenge must be different.

I hope and I pray that by Memorial Day, 1961, the world will have moved away from the brink and that it will have moved toward disarmament and peace in a world where disputes among nations are settled by lawful procedures within the jurisdiction and the framework of the United Nations.

Mr. SCHWENGEL. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Iowa.

Mr. SCHWENGEL. First, I should like to say that I listened with interest to the dissertation the gentleman has given. I take it that he objects to the way the U–2 incident was handled, and that probably we should not have had any inspection or this type of spy activity.

Mr. PORTER. I did not say that.

Mr. SCHWENGEL. That is what I understood the gentleman to say.

Mr. PORTER. If the gentleman will recall, I said given the world as it is this sort of thing has to be expected, and we do not apologize for it. What I objected to was the timing of that flight. I cannot believe that President Eisenhower knew that the flight was going to take place at that time because he would have realized the adverse effect it would have on the summit. I think the President went to the summit in good faith. I think he went there to advance the cause of peace. I do not think he went there just as a gesture. I do not think he would have done anything to provoke Mr. Khrushchev and the Russians. He is enough of a military man to know that a flight over their territory at that time would have been detected and would result in an adverse situation. He would have known that this would provoke the Russians. Therefore, I cannot believe he knew it. If he knew it and did it purposely I would be very much surprised. But I feel sure he did not know.

Mr. SCHWENGEL. This is the point I wanted to talk about particularly. I recall a date, December 7, which has become known as Pearl Harbor Day. If you will read the documents of that time and the newspapers you will note that there were people in this country from Japan talking to our leaders about some arrangements, probably toward creating a peaceful atmosphere; while at the same time they were planning an attack on Pearl Harbor. Would it not have been better if we had a spy system at that time? We might have avoided Pearl Harbor and maybe changed the whole complexion of World War II. I wonder if it would have been wise to withhold spy activities, knowing the Russians as we do. She did not withdraw any of her activities. I see no difference in spying over Russia at that particular time on our part and at the same time Russia was spying in other ways. She has done a lot more in the way of spying activities than we have ever dreamed of. I think all of us know that.

Mr. PORTER. Of course, I would have liked to have had an intelligence system in effect at the time of Pearl Harbor which would have prevented Pearl Harbor. That goes without saying. I do not believe the President made that decision about this U–2 flight. If the gentleman will read the President's remarks the other day he suggests this was a conscious, voluntary decision, but he did not state it was in so many words. I believe the President did not know this plane was going to go at that time. It went at that particular time because of weather conditions entirely, and not because anybody consciously said "We will send it at this time." If it turns out that there was a CIA official or people in the military who said, "We will send this plane because it will interfere with the summit meeting," I would like to know about that; but I cannot believe that the President of the United States would agree to the sending of a plane on May 1 when he knew that in about 2 weeks he would be sitting down at a table with Mr. Khrushchev trying to inch a little further toward peace. I cannot believe that the President would so decide, and I do not believe the gentleman does either.

Mr. SCHWENGEL. If this type should become our national policy, knowing the character of the Russians and the character of their leaders, would they not be the type of people to create a situation like this, and maybe conduct a surprise attack of their own? Is it not to our self-preservation of interest to have any spy activities at all times until we know and have assurance they are getting out of this activity?

Mr. PORTER. The gentleman should understand that I do not recommend cutting out our spy activities, the world being what it is. But, I do ask that some judgment be used, and that is the point of my criticism of what was done in regard to the U–2, that no judgment or not very much judgment was used in allowing such a flight to go at that time. I think the facts will bear out that the President, although he took responsibility, as a good commanding officer does, did not, in fact, know that the flight was going at that time, and had he known about it, I am sure that he wanted the summit to succeed and would not have allowed it to go at that time.

Mr. SCHWENGEL. How can the President know all the details about this kind of an activity at any given moment? I mean, there are so many factors to be considered that it seems to me it would be impossible. He must leave it to some department head who obviously knows more about the situation than he does at a given moment.

Mr. PORTER. I agree that the President cannot know all the details, but such an important event as an overflight of Soviet Russia at that time is the sort of instance that should be brought to his attention, and if somebody failed to do it, that person should be appropriately punished, because I am sure the President wanted these summit talks to succeed. I am sure that such overflight at that time, even though there had not been an accident, would have made Mr. Khrushchev's mood not the sort from which we could get concessions that we wanted in regard to inspections to stop nuclear testing, or in other ways calculated to lead toward peace and away from war.

CONGRESSMAN LANE'S MEMORIAL DAY ADDRESS

Mr. PORTER. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. LANE] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my remarks at the American

Legion Post 15 exercises at Lawrence, Mass., on Memorial Day, May 30, 1960:

Greetings:

"There is a tide in the affairs of men * * *."

The ebb and flow of events that come and go. When the tide is low, all is calm. Life is but the repetition of familiar habits in which one day is like another, as if time itself stood still.

But nature abhors a vacuum.

In our complacent mood, we do not notice that the tide has turned and we are drifting with it.

But as the current gathers strength we waken to the danger. And then we exert ourselves to escape the grip of those forces that would dash us against the rocks.

That is the situation on Memorial Day, 1960.

The years of indifference have weakened our position and have raised doubts concerning the effectiveness of American leadership.

And in this hour of decision, we strive to find out where we lost our sense of direction and purpose. How can we rediscover the spirit which will reverse the aimless drift and lead us forward again?

Here among memorials to the dead who built the American heritage, we seek our lost identity.

We knew them in life—the men and women whose mortal remains have been gathered in the kind embrace of mother earth.

Once they were like you and I—each with his work and his dreams, his home and his faith. But when the great test came, they faced it with dignity and courage, drawing on some inner resources that they never expressed in words.

These bright and hopeful flags above their graves tell us that they served their country well in time of danger.

They were the friends and comrades of our youth.

In their time they came to the cemetery on Memorial Day to honor the veterans of previous wars, searching, as boys do, for the weathered slabs and tracing out the wrinkled inscriptions that mark the final bivouac of those who fought so long ago in the war for independence.

And to the curious schoolboys as they spelled out the epitaphs upon the ancient gravestones, the moving events of the past took on a new meaning, as if, across the generations, they heard the deathless words, "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights * * *."

America had found its purpose and its voice.

Pioneering for the freedom of humanity.

Inspired by the great men—great in mind and spirit—who dared the unknown to open up new horizons.

Washington, Jefferson, and Lincoln—the Bill of Rights and the Emancipation Proclamation.

The Nation found its soul in the martyred President who became the immortal prophet of brotherhood and human dignity.

Sometimes the people stumbled and lost their way until Theodore Roosevelt, appealing to their conscience, guided them to the main highway of righteousness, which is the true road of democracy.

With Woodrow Wilson we became of age, stirred by his call to make the world safe for democracy. Wilson was ahead of his time with his vision of a League of Nations.

But he was right; and Franklin Roosevelt brought us closer to that goal as he led the way toward the establishment of the United Nations.

He did not live to see its birth.

A few months after his death, we celebrated the victorious conclusion of World War II and the beginning of the United Nations.

Our country had become the strongest nation in history, despite the sacrifices of war. We had surplus food, a thriving industrial machine, and the mightiest military force of all time.

As discoverers of the key to nuclear energy, we held the unchallenged power, when Stalin started the cold war in 1946, to insist upon a revised United Nations with the authority and the capabilities of inspecting every nation on earth in order to forestall aggression.

Instead we appealed to reason.

That had no effect.

Stalin threw a land blockade around West Berlin, confident that he could choke it into submission. By a difficult and sustained airlift, we finally convinced Stalin that we meant business in this area, and his stranglehold was broken.

Constantly probing for signs of weakness or complacency, he secretly engineered the unprovoked aggression against South Korea in 1950.

To his surprise, the United States in the name of the U.N., reacted promptly and vigorously. With some help from other nations, we succeeded in checkmating that aggression.

But the Russians, who had now become the second nuclear power, scared our allies and caused a slackening of our own will, preventing the United Nations command from scoring a decisive victory in Korea.

Red China was officially branded as the aggressor, when all the world knew that Red Russia was also a partner in the crime. But they have never made amends for their betrayal of the United Nations.

Up to 1955, our country had maintained its military superiority. But then, catering to the demands for ease and comfort at home, and wishfully thinking that sweet reason would prevail, it was drawn into the trap of summit conferences, and good-will tours on the Hollywood pattern.

It became the time of dangerous drift, that persisted in spite of the clear warnings that came when Russia opened the space age on October 4, 1957.

In the prevailing mood of relaxation it was considered a national heresy for anyone to question, or to disturb the pleasant dreams of the people and their leaders.

"After all, didn't Khrushchev look like a prosperous businessman, or a jolly politician?" they rationalized.

It was so convenient to forget the bloody betrayal of the Hungarian freedom fighters, and the long list of solemn treaties that Russia had broken.

We closed our ears to the words of Adm. Charles Turner Joy who participated in the wearing and frustrating negotiations with the enemy at Panmunjon, Korea. This is what he learned from his firsthand experience, and I quote:

"If there are still those in the free world who believe that the enemy can be moved by logic, or that he is susceptible to moral appeal, or that he is willing to act in good faith, those remaining few should disabuse themselves of that notion. Our one serious mistake during the negotiations was in assuming, or even hoping, that the enemy was capable of acting in good faith."

The brutal conduct of Khrushchev as he wrecked the summit meeting at Paris in May 1960, shocked us into reality.

We now recognize that it is impossible to negotiate with Red Russia except from a position of military balance or superiority.

That, with the industrial machine to support it, is the only fact that will ever induce the ruling class of the Communist dictatorship to participate in an effective system of inspection and controls that will lead to peace.

Meanwhile, the insolent attitude of the Russians at Paris, and at the meeting of the Security Council of the U.N. at New York, indicates their belief that the missile and the military balance is tipping in their favor.

To offset this we must strengthen our own defenses—which include retaliatory power—without further delay.

But we must do even more than this.

The honor we pay to those who died for freedom will have little meaning if we fail to find the purpose, direction, and the faith that inspired them.

"All men are created equal and are endowed by their Creator with certain unalienable rights."

That is the mission that gives spiritual vitality to our free society, now as never before.

A strong defense gives us the opportunity to go forward with the American promise to humanity.

We must discover ways to help the underdeveloped nations, to encourage the captive peoples, and to make friends with our oppressed brothers in Russia and in China.

This is a tremendous challenge, but Americans are fully alive and at their best when opening up new frontiers.

From our abundance and that of our prosperous allies we must help to raise the underprivileged of this world to human dignity. We must immediately move to strengthen the United Nations so that it will become the dependable guardian of peace.

But above all we, in concert with others, must spread the liberating opportunities of free education to all the world because it is only through knowledge based on universal truths that we can dispel the fog of fear and prejudice and man's inhumanity to man.

The flags that decorate these graves summon us to the unfinished work remaining before us. "That from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion."

The cause in which we shall find our lost identity.

And, blessed with courage, charity, and wisdom, resume the creative work of building human brotherhood to the honor and glory of God.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. SHELLEY (at the request of Mr. ALBERT) for today through June 8, 1960, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PORTER, for 60 minutes, today.

Mr. MITCHELL (at the request of Mr. PORTER), for 40 minutes, on Thursday next.

Mr. COFFIN (at the request of Mr. PORTER), for 40 minutes, on Wednesday and Thursday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HUDDLESTON in two instances and to include extraneous matter.

Mr. ALGER.

Mr. BARING (at the request of Mr. PORTER).

(At the request of Mr. GLENN, and to include extraneous matter, the following:)

Mr. VAN ZANDT in two instances.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1617. An act to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes; to the Committee on Government Operations.

S.J. Res. 127. Joint resolution to help make available to those children in our country who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to help make available to individuals suffering speech and hearing impairments those specially trained speech pathologists and audiologists needed to help them overcome their handicaps; to the Committee on Education and Labor.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 113. An act to prohibit the severance of service connection which has been in effect for 10 or more years, except under certain limited conditions;

H.R. 276. An act to amend section 3011 of title 38, United States Code, to establish a new effective date for payment of additional compensation for dependents;

H.R. 641. An act to amend title 38, United States Code, to make uniform the marriage date requirements for service-connected death benefits.

H.R. 1402. An act for the relief of Leandro Pastor, Junior, and Pedro Pastor;

H.R. 1463. An act for the relief of Johan Karel Christoph Schlichter;

H.R. 1519. An act for the relief of the legal guardian of Edward Peter Callas, a minor;

H.R. 3107. An act for the relief of Richard L. Nuth;

H.R. 3253. An act for the relief of Ida Magyar;

H.R. 3827. An act for the relief of Jan P. Wilczynski;

H.R. 4763. An act for the relief of Josette A. M. Stanton;

H.R. 7036. An act for the relief of William J. Barbiero;

H.R. 7502. An act to revise the determination of basic pay of certain deceased veterans in computing dependency and indemnity compensation payable by the Veterans Administration;

H.R. 8217. An act for the relief of Orville J. Henke;

H.R. 8238. An act to authorize the Surgeon General of the Public Health Service to make a study and report to Congress, from the standpoint of the public health, of the discharge of substances into the atmosphere from the exhausts of motor vehicles;

H.R. 8798. An act for the relief of Romeo Gasparini;

H.R. 8806. An act for the relief of the Philadelphia General Hospital;

H.R. 9470. An act for the relief of E. W. Cornett, Sr., and E. W. Cornett, Jr.;

H.R. 9752. An act for the relief of K. J. McIver;

H.R. 9785. An act to provide for equitable adjustment of the insurance status of certain members of the Armed Forces;

H.R. 9788. An act to amend section 3104 of title 38, United States Code, to prohibit the furnishing of benefits under laws administered by the Veterans' Administration to any child on account of the death of more than one parent in the same parental line;

H.R. 9983. An act to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments;

H.R. 10703. An act to grant a waiver of national service life insurance premiums to certain veterans who became totally disabled in line of duty between the date of application and the effective date of their insurance;

H.R. 10898. An act to amend section 315 of title 38, United States Code, to provide additional compensation for seriously disabled veterans having four or more children;

H.R. 10947. An act for the relief of Aladar Szoboszlay;

H.R. 11190. An act for the relief of Cora V. March; and

H.R. 11405. An act to provide for the treatment of income from discharge of indebtedness of a railroad corporation in a receivership proceeding or in a proceeding under section 77 of the Bankruptcy Act commenced before January 1, 1960, and for other purposes.

ADJOURNMENT

Mr. PORTER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 43 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 1, 1960, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2201. A letter from the Deputy Postmaster General, transmitting a report of the claims paid by the Post Office Department under the provisions of the Federal Tort Claims Act during the fiscal year 1959; to the Committee on the Judiciary.

2202. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 11, 1960, submitting a report, together with accompanying papers and illustrations, on a review of reports on Los Angeles and Long Beach Harbors, Calif., West Basin, requested by a resolution of the Committee on Public Works, House of Representatives, adopted on June 27, 1956 (H. Doc. No. 401); to the Committee on Public Works and ordered to be printed with two illustrations.

2203. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 29, 1960, submitting a report, together with accompanying papers and an illustration, on an interim report on Fort Worth Floodway, Tex., requested by a resolution of the Committee on Public Works, House of Representatives, adopted on June 27, 1957 (H. Doc. No. 402); to the Committee on Public Works and ordered to be printed with one illustration.

2204. A letter from the president of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled "A bill to authorize the Commissioners of the District of Columbia on behalf of the United States to transfer from the United States to the District of Columbia Redevelopment Land Agency title to certain real property in said District"; to the Committee on the District of Columbia.

2205. A letter from the Director, International Cooperation Administration, relative to a report by the Comptroller General dated February 10, 1958, entitled "Report on Examination of Special Defense Financing Program for France," administered by this agency and its predecessor, the Foreign Operations Administration, and stating that the United States and French representatives reached a final settlement, marking the successful completion of this program; to the Committee on Government Operations.

2206. A letter from the Comptroller General of the United States, transmitting a report on the examination of the economic and technical assistance program for Brazil as administered by the International Cooperation Administration (ICA) of the Department of State and its prdecessor, the Foreign Operations Administration (FOA), under the mutual security program for fiscal years 1955 through 1959; to the Committee on Government Operations.

2207. A letter from the Acting Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

2208. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to amend the Public Health Service Act to provide greater flexibility in the organization of the Service, and for other purposes"; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON: Committee of conference. H.R. 10777. A bill to authorize certain construction at military installations, and for other purposes (Rept. No. 1673). Ordered to be printed.

Mr. CELLER: Committee on the Judiciary. Senate Joint Resolution 39. Joint resolution proposing amendments to the Constitution of the United States to authorize Governors to fill temporary vacancies in the House of Representatives, to abolish tax and property qualifications for electors in Federal elections, and to enfranchise the people of the District of Columbia; with amendment (Rept. No. 1698). Referred to the House Calendar.

Mr. MILLS: Committee on Ways and Means. H.R. 12381. A bill to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal-tax rate and certain excise-

tax rates; without amendment (Rept. No. 1699). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 1223. An act for the relief of Alan John Coombs; without amendment (Rept. No. 1674). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1752. An act for the relief of Stamatina Kaipaka; with amendment (Rept. No. 1675). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1909. An act for the relief of John Gelbert (alias Max Theodore Gelbert); with amendment (Rept. No. 1676). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1912. An act for the relief of Timmy Kim Smith; without amendment (Rept. No. 1677). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2046. An act for the relief of Max Kotscha; without amendment (Rept. No. 1678). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2142. An act for the relief of George C. McKinney; without amendment (Rept. No. 1679). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2177. An act for the relief of Peter J. Waterton; without amendment (Rept. No. 1680). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2247. An act for the relief of Wong Gim Chung; without amendment (Rept. No. 1681). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2352. An act for the relief of Chaim (Hyman) Eidlisz; without amendment (Rept. No. 1682). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2384. An act for the relief of Tommy Tadayoshi Shuto (Tadayoshi Takeda); with amendment (Rept. No. 1683). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2418. An act for the relief of Junko Hosaka Jordan; without amendment (Rept. No. 1684). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2443. An act for the relief of Edgar Harold Bradley; with amendment (Rept. No. 1685). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2486. An act for the relief of Nobuko Stickels; without amendment (Rept. No. 1686). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2532. An act for the relief of Margherita Pino Zordan; without amendment (Rept. No. 1687). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2538. An act for the relief of Kim Yong Cha, fiance of Cpl. Le Maine Ellingson, RA55280245; without amendment (Rept. No. 1688). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2554. An act for the relief of Leila Finlay Bohin; without amendment (Rept. No. 1689). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2566. An act for the relief of Peter Leo Bahr; without amendment (Rept. No. 1690). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2635. An act for the relief of Maria Genowefa Kon Musial; without amendment (Rept. No. 1691). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2769. An act for the relief of John George Sarkis Lindell; without amendment (Rept. No. 1692). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2776. An act for the relief of Raymond Thomason, Jr.; without amendment (Rept. No. 1693). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2792. An act for the relief of Luigia Mion; without amendment (Rept. No. 1694). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2821. An act for the relief of Kristina Selan; without amendment (Rept. No. 1695). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. House Joint Resolution 721. Joint resolution for the relief of certain aliens; with amendment (Rept. No. 1696). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. House Joint Resolution 722. Joint resolution relating to the entry of certain aliens; without amendment (Rept. No. 1697). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARING:

H.R. 12447. A bill to repeal the act of October 22, 1919 (41 Stat. 293), as amended; to the Committee on Interior and Insular Affairs.

By Mr. BROOKS of Louisiana:

H.R. 12448. A bill to amend the National Science Foundation Act of 1950, as amended, and for other purposes; to the Committee on Science and Astronautics.

By Mr. DINGELL:

H.R. 12449. A bill to amend the Migratory Bird Treaty Act to increase the penalties for violation of that act, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HOLIFIELD:

H.R. 12450. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the States and local governments to levy property taxes on real and personal property owned by the United States but in the possession of and used by private persons in connection with businesses operated for profit; to the Committee on Government Operations.

By Mr. KILGORE:

H.R. 12451. A bill to amend section 1, fifth, of the Railway Labor Act, as amended, to redefine the term "employee"; to the Committee on Interstate and Foreign Commerce.

By Mr. MORRIS of New Mexico:

H.R. 12452. A bill to expand and extend the saline water conversion program under the direction of the Secretary of the Interior to provide for accelerated research, development, demonstration, and application of practical means for the economical production, from sea or other saline waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PORTER:

H.R. 12453. A bill to extend the application of section 3 of title 4 of the United States Code relating to misuse of the U.S. flag; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 12454. A bill for the establishment of a Resources Planning Commission for the Lower Colorado River Basin, to study the multipurpose resources of public lands and other land and water areas in and near the Colorado River between Hoover Dam and the Mexican boundary, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SMITH of Mississippi:

H. Res. 544. Resolution providing additional mail clerks for the Office of the Postmaster, House of Representatives; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States relative to requesting the enactment of legislation to provide that persons who are eligible for benefits from both old-age assistance and old-age and survivors insurance shall receive full payment from each program; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Michigan memorializing the President and the Congress of the United States to provide for judicial review of decisions of the U.S. Department of Labor with reference to conformity of State unemployment insurance laws with the Federal Unemployment Tax Act; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KILGORE:

H.R. 12455. A bill for the relief of Abdul Aziz Said; to the Committee on the Judiciary.

By Mr. MOORHEAD:

H.R. 12456. A bill for the relief of Mary Philip; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

478. By the SPEAKER: Petition of William M. Cavaney, Los Angeles, Calif., relative to a redress of grievance relating to the development of the Aerofoil Mark I, AMI (air and space craft—a dual operation into space); to the Committee on Science and Astronautics.

479. Also, petition of Theodore M. Hathaway and others, Providence, R.I., requesting enactment of the Forand bill, H.R. 4700, in its original form; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

The Second Avenue United Brethren Church, Altoona, Pa., Honors the Nation's War Dead

EXTENSION OF REMARKS
OF

HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 31, 1960

Mr. VAN ZANDT. Mr. Speaker, among the many Memorial Day services in the central Pennsylvania area was one conducted by the members of the Second Avenue United Brethren Church, Altoona, Pa., on Sunday morning May 29.

It was my privilege to deliver the following address as part of the Memorial Day program:

MEMORIAL DAY, 1960, ADDRESS BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, AT THE SECOND AVENUE UNITED BRETHREN CHURCH, ALTOONA, PA., MAY 29, 1960

Memorial Day is truly a day of reverence.

Of all our great national holidays, Memorial Day is the most sacred, the most solemn, and the most beautiful.

When we assemble on the Fourth of July we meet to celebrate our independence.

It is the Nation's birthday party, and is rightly and properly an occasion for festivity and rejoicing.

But Memorial Day which precedes it partakes of something quite different:

It has been well called the most beautiful and sacred of our national holidays.

May it ever remain so.

And if I know my countrymen as well as I think I do, it will so remain.

Long ago, on the eve of his own supreme sacrifice, it was said by one who knew the secret of every trembling heart that "greater love hath no man than this, that a man lay down his life for friends."

I am happy to think that loyalty and enduring gratitude are to be numbered among the more endearing traits of the American character.

We have our faults—we are not yet angels and archangels, to be numbered among the hosts above.

I do dare assert, however, that as a people, both individually and collectively, we are not a nation of ingrates.

Nor as a people are we insensible to the needs and sufferings of our fellow beings of other lands.

Where, in the recorded history of mankind, can there be produced such a record of the outpouring of medical, financial, and material assistance to the stricken peoples of the earth?

Wherever the Four Horsemen have galloped over the earth, leaving fire, flood, pestilence, and starvation in their wake, American doctors and nurses, American dollars, American grain, and medical supplies have followed.

If there are blots on our shield, if we as a Nation have made our mistakes, surely American kindliness and American generosity have gone far to atone for our faults.

Meanwhile, it is pleasant to reflect that on Memorial Day year after year, decade after decade, yes for nearly a century now, the American people have assembled in their towns and villages.

They have gathered together in their great cities, in the lonely, isolated little communities scattered over the vast prairies, everywhere, all over this broad land, they have set aside this day to pay loving and reverant tribute to those who once laid down their lives that this Nation might live.

How beautifully Theodore Roosevelt expressed it when meditating upon the loss of his youngest son, who himself had made the supreme sacrifice, he wrote:

"Only those are fit to live who do not fear to die; and none are fit to die who have shrunk from the joy of life and the duty of life.

"Both life and death are part of the same great adventure.

"Never yet was worthy adventure worthily carried through by the man who put his personal safety first."

The official origin of Decoration Day, or as we now term it, Memorial Day is to be found in a directive issued May 5, 1868, by Gen. John A. Logan, the first commander in chief of the then recently organized Grand Army of the Republic.

In a general order designating May 30 thenceforth as a day of memorial to the Union dead of the great war so lately brought to a close, General Long penned these eloquent words:

"We are organized, comrades, as our regulations tell us, for the purpose, among other things, of preserving and strengthening those kind and fraternal feelings which have bound together the soldiers, sailors, and marines, who united together to suppress the late rebellion.

"What can aid more to assure this result than by cherishing tenderly the memory of our heroic dead, who made their breasts a barricade between our country and its foes?

"Their soldiers' lives were the reveille of freedom to a race in chains, and their deaths the tattoo of rebellious tyranny in arms.

"We should guard their graves with sacred vigilance.

"All that the consecrated wealth and taste of the Nation can add, to their adornment and security, is but a fitting tribute to the memory of her slain defenders.

"Let no wanton foot tread rudely on such hallowed grounds.

"Let pleasant paths invite the coming and going of reverent visitors and fond mourners.

"Let no vandalism or avarice or neglect, no ravages of time, testify to the present or to the coming generations that we have forgotten, as a people, the cost of a free and undivided republic."

General Logan continued by saying:

"If other eyes grow dull, and other hands slack, and other hearts grow cold in the solemn trust—ours shall keep it well—as long as the light and warmth of life remain to us.

"Let us, then, at the time appointed, gather around their sacred remains, and garland the passionless mounds above them with the choicest flowers of springtime;

"Let us raise above them the dear old flag they saved from dishonor;

"Let us, in this solemn presence, renew our pledges to aid and assist those whom they have left among us—a sacred charge upon a nation's gratitude—the soldier's and sailor's widow and orphan."

Thus spoke Gen. John A. Logan, the first commander in chief of the Grand Army of the Republic.

As we in the North observe Memorial Day, our southern brethren observe various dates of their own, according to the birthday anniversaries of various Confederate heroes.

Behind this inception of a day of national tribute lies an interesting and, to me, a very moving little story, which I should like to repeat to you.

On April 6–7, 1862, was fought the great Battle of Shiloh—the bloodiest up to that time ever fought on American soil.

The Union losses in that battle in killed, wounded, and missing were over 13,000 and Confederate nearly 11,000.

After the battle, the bodies of some 1,500 of the Confederate fallen were brought to Columbus, Miss., then a small town.

With the Confederate dead were also brought the bodies of 100 Union soldiers.

All were buried in a plot of land originally purchased by the local Odd Fellows but now taken over for a more serious purpose.

On April 26, 1866, just a year after the great conflict had ceased, a group of Columbus ladies met and in solemn and reverent procession marched to the little burying-ground and there laid flowers on the graves of Union and Confederate dead alike.

Thus, on that first local Memorial Day at Columbus, Miss.—94 years ago—the graves of Union soldiers were decorated by ladies of the South.

To me there is something intensely symbolic in this gracious gesture.

It was a gesture made a century ago by these gentle ladies who were sitting even then in the shadow of defeat and humiliation.

I like to think that in that act—so simple in itself and yet so far-reaching in its implications—is embodied for all time the best of America—and of American womanhood.

The book which recorded the names of Confederate and Union dead who were laid to rest in this corner of the Deep South has long since disappeared.

Yet onetime friend and foe sleep peacefully beneath the magnolias of the little Mississippi graveyard now fittingly called Friendship Cemetery.

Originally termed "Decoration Day," with the passing of time and the thinning of the ranks of the GAR, more and more the occasion tended to be observed as a day dedicated to American dead of all wars.

At last, on September 18, 1915, the War Department issue a ruling that:

"The objects of this day, as understood by the War Department, are not only to decorate the graves and honor the memory of those officers and enlisted men who served as volunteers in the Civil War and in the war with Spain, but also those who served in the Regular Army, irrespective of whether such service was rendered in time of war, or time of peace."

As the years passed, and the Grand Army of the Republic gradually melted away, the day became known as a memorial day to all the war dead.

Since the original purpose was to decorate the graves of the soldiers who had fought to preserve the Union, the formal observance—always dignified and reverent—was given a military aspect from the very beginning.

For many years the public ceremonies of the day were in charge of the GAR post of every community.

Throughout the Northern States the pattern was much the same, whether in great cities, small towns, or country villages.

Most of us are quite familiar with the observance of Memorial Day.

There was the procession to the cemetery, to the accompaniment of bands playing patriotic airs.

Then the formal ceremonies, consisting of the singing of appropriate songs, the reading of the Gettysburg Address, the singing of the national anthem, and, finally, the climax—the delivery of a memorial address composed for the occasion.

A flag and flowers were always placed on each serviceman's grave—a custom that is followed reverently today.

Gradually it has likewise become the custom for individual families to decorate the graves of their dead—irrespective of military service.

On Armistice Day, November 11, 1921, the body of the soldier of the First World War—"known but to God"—was reverently laid to rest in the beautiful national cemetery on the banks of the Potomac River at Arlington, Va.

In 1958 the bodies of the unknown of two other conflicts—the Second World War and the Korean conflict—were laid, one on either side of the first unknown soldier.

The term "soldier" was not inscribed on the tombs of these last—since the bodies were selected from those who might have served in any capacity, military or civilian.

So on the heights of beautiful Arlington—at the heart of our most sacred national shrine—with the Lincoln Memorial, the Washington Monument, and the Jefferson Memorial just across the river—and the great dome of the Capitol looming up in the distance—the three unknowns will sleep in peace until the last reveille.

On this Memorial Day of 1960—we must ask ourselves once more—how we, the living—can best honor and, in a measure, repay—the deathless sacrifice of these honored dead.

The answer is to fix our eyes upon the problems immediately confronting us—whether within our own borders or pressing upon us from the world without—to see these problems steadily and to see them whole.

Surely we can best honor those who gave their lives for their country by looking present world facts in the face, and squaring up to them accordingly.

Let us remember that the truth itself never hurt anybody.

We must be on guard against those who, through wishful thinking would bring America to the brink of disaster by their thoughtless conduct.

They are what Theodore Roosevelt used to call "the foes of our own household."

They are—in their way—every bit as dangerous—even if unintentionally so—as the sinister forces of communism.

The failure of the summit conference—through the despicable conduct of Khrushchev—is added reason why Russia's professed desire for peace is highly questionable.

Many competent observers are of the opinion that the outrageous conduct of Khrushchev was a demonstration—on his part—to impress the Russian people, millions of whom are reported to be in a rebellious mood over the iron-fisted rule of the Kremlin.

Meanwhile, until universal peace is assured there could be no more wicked folly than to lower our guard and relax our watchfulness.

Even were we willing to abandon eternal vigilance and thus assume so terrible a risk for our own generation, we have no right to expose our children and their children to a future of unspeakable possibilities.

On the evening of May 19, 1953, President Eisenhower, after 4 months in office, addressed the American people and told them bluntly:

"I believe firmly—and I think the Soviets realize—that the United States, if forced to total mobilization today, could meet and win any military challenge.

"I believe no less firmly that we must see and meet the full nature of this danger immediately before us.

"For the nature of this danger indicates the nature of the defense we summon.

"This defense must, first of all, be one which we can bear for a long—and indefinite—period of time.

"It cannot consist of sudden, blind responses to a series of fire-alarm emergencies, summoning us to amass forces and material with a speed that is heedless of cost, order and efficiency.

"It cannot be based solely on the theory that we can point to a D-day of desperate danger, somewhere in the near future, to which all plans can be geared.

"The truth is that our danger cannot be fixed or confined to one specific instant."

In closing President Eisenhower said:

"We live in an age of peril.

"We must think and plan and provide—so as to live through this age in freedom—in ways that do not undermine our freedom even as we strive to defend it."

My friends, these plain words, spoken 7 years ago, by President Eisenhower are equally as true today.

I have seen two world wars and the Korean conflict.

I do not wish to see World War III.

I do not wish my boy to see so terrible a conflict as an all-out nuclear war.

Ladies and gentlemen, there is one way—but one way—under providence, to avert it.

Surely that way is plain enough.

We must keep our faith clean, our judgment clear, our nerves steady, and our powder dry.

Therefore, on this Memorial Day, in the year 1960, we should do well to remind ourselves, that "eternal vigilance is the price of liberty."

A Bill To Amend the Land Laws of the United States by Repealing the So-Called Pittman Act

EXTENSION OF REMARKS
OF
HON. WALTER S. BARING
OF NEVADA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 31, 1960

Mr. BARING. Mr. Speaker, I introduce for proper reference a bill to amend the land laws of the United States by repealing the so-called Pittman Act.

The Pittman Act, passed in 1919, has never served the purpose for which it was intended. Although it was expected that this legislation would induce people to come to Nevada and develop the land and water resources of great unoccupied areas, it has failed to accomplish this goal in any manner. The records of the Bureau of Land Management disclose that in the 40 years of its existence 2,619 applications have been filed. Of these, only 32 were successful in securing patents. One thousand seven hundred and sixty-nine have been canceled and 818 are now pending. Most of the entrymen have filed on the maximum allowable under the law, 2,560 acres. The result has been a temporary entry in which areas valuable to the livestock, wildlife, and recreational uses are destroyed or severely damaged and then abandoned.

This legislation has been endorsed by resolutions of the Nevada State Legislature, the Nevada soil conservation districts, the Nevada Cattlemen's Association, and similar organizations having to do with the operations of the public domain. I urge its early consideration and enactment.

Expansion of Community "Do-It-Yourself" Programs To Promote Economic Progress

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Tuesday, May 31, 1960

Mr. WILEY. Mr. President, in a world of promise, danger, and challenge, we recognize that Uncle Sam—responsible for national defense as well as a wide variety of domestic national-scope programs—is shouldering a terrific burden.

Consequent, I believe the Nation, and our people, could benefit from a greater "do-it-yourself" community effort for dealing with economic problems of a local nature.

I am well aware, of course, that it is far more popular to say to the home folks: "If you have a need for utilities, roads, and other projects—go to Uncle Sam for the money." With the load being carried by the Federal Government, however, I believe there is serious question as to whether any more hands should be reaching for Uncle Sam's pockets. To the contrary, I believe a great many communities could examine their manpower, resources, and other potentials to determine whether or not by "do-it-yourself" community efforts, progress could be made toward strengthening the local economy.

Having commented on this recently in a broadcast over Wisconsin radio stations, I ask unanimous consent to have excerpts of my remarks printed in the CONGRESSIONAL RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

WILEY URGES DO-IT-YOURSELF PROGRAMS FOR COMMUNITY PROGRESS; URGES EXPANSION OF TOURIST TRADE TO IMPROVE ECONOMY IN WISCONSIN

(Excerpts of address prepared for delivery by Senator ALEXANDER WILEY, Republican, Chippewa Falls, over Wisconsin radio stations)

Friends, I welcome the opportunity to chat with you once again on major problems confronting us as a State and a Nation.

Today we are living in a world of danger, promise, and of challenge.

The "switch" in Communist policy to the old, Stalinist "hard line" of threat, bombast, propaganda, will have a serious impact not only on world affairs but on life right here in Wisconsin. As yet, however, it's not possible to assess the drastic change in Soviet policy.

Nevertheless, the major tasks before us continue to be (1) carrying on—in the face of the noncooperative Communist attitude—efforts to promote peace and prevent a third world war, and (2) maintaining a sound economy at home.

At this time, I'd like to discuss with you prospects for meeting the second challenge—that is, further strengthening the economy.

In considering such efforts, a question often automatically evolves; that is, "Well, what is Uncle Sam going to do about it?"

However, there is an alternative question—striking close to home—that is, what can we, as citizens, do about it, to provide a sounder, more effective, stronger economy right here in Wisconsin?

NEEDED: COMMUNITY DO-IT-YOURSELF PROGRAMS

Now how can this be accomplished?

Frankly, I would like to see more do-it-yourself community programs for dealing with economic problems of a local nature.

I recognize, of course, that it is far more popular to say: "If you have a need—for utilities, schools, roads, or other projects—go to Uncle Sam for a grant."

With the tremendous burden already on the Federal Government—particularly for defense—there is serious question as to whether there should be any more grabbing hands reaching for Uncle Sam's pocket.

Consequently, communities—large and small—I believe could well conduct a real stock taking to possibly unveil new local resources and potentials which, if better utilized, would help bolster the economy. Now, how can we go about accomplishing this objective? Such a program, I believe, could well include the following steps:

1. Establishing a do-it-yourself development committee for the community.

2. Undertaking a complete review of manpower, natural, financial, and other resources.

3. Conduct a study on the needs of a community for services, products, transportation, housing, as well as the potential within the community for meeting its own needs.

In addition, we need to:

4. Review local tax systems and public utilities services to encourage industrial and business development.

5. Stimulate interest of local citizens to invest in local projects.

6. Assess improvements necessary in retail and service business, as well as to plan for and provide adequate schools, playgrounds, recreational facilities, transportation, police and fire protection and other services.

7. Obtain available State and/or Federal assistance on special technical problems, such as community planning, industrial zoning, and planned industrial districts.

8. And, finally, we must stimulate citizens' interest in making their community a better place in which to live.

EXPANDING "TOURISM" IN WISCONSIN

In recent years, also, a new industry—and economic opportunity—has emerged, that is, "tourism."

Today, tourism is one of the fastest developing businesses in the United States. Annually, tourists in this country spend between $15 and $20 billion.

As of now, tourism is Wisconsin's third largest industry. However, I believe we can cut, for our Badger State, an even larger slice of this economic pie.

To attract tourists, a community—say the experts—does not need gold-plated hotels, multimillion dollar airports, or Grand Canyons.

In a complex, sometimes hectic age, a great many people on vacation try to find a place where they can get away from it all—to find comfort, change, amusement, pleasant environment, food and accommodations at reasonable prices, to experience a rejuvenation—physically, mentally, spiritually.

WISCONSIN—A TOPNOTCH VACATION LAND

As you and I know, friends, Wisconsin, a topnotch vacation land, offers a wonderland of such opportunity.

About 8,676 lakes and 10,000 miles of streams for excellent fishing.

Seven State forests and three State parks, providing a great many wonderful opportunities for sightseeing, boating, camping out of doors, and traveling through our scenic countrysides.

Over 161 museums and many other historical sites and places of interest.

In 1958, over 6 million travelers visited the State park and forest areas of our State.

The opening of the St. Lawrence Seaway also promises an influx of more and more visitors to Wisconsin and the Great Lakes region, from Canada and all over the other parts of the world, as well as from many other States of the Union.

The challenge is for each of the communities—with tourist potential—to transform itself into a haven for vacationers, then effectively tell its story. How? By publicizing: What your community is; how does a vacationer get there; what are its special activities; and other highlights to lure the tourist.

The promotion of tourist trade can bring benefits not only for today—but for the future. Nationally, our people face the prospects of shorter workweeks, better pay, faster transportation to everywhere—all of these factors indicate that the future of the tourist business is wide open. For 1960, the tourist season is just ahead.

Our job, then, is not only to cash in on the benefits; but to provide more people of America and the world—in addition to the million who now visit us—to see, and enjoy, the hospitality, and friendly, scenic environment of Wisconsin.

FEDERAL ASSISTANCE FOR "BOOTSTRAP" OPERATIONS

Now, I well recognize that a local community may not be able to successfully carry out by itself a do-it-yourself development program for expanding tourism, industrial development, and other goals. To help make such improvements, there are Federal programs, for example, available, including the following:

The Department of Agriculture provides technical assistance and consultation through Federal extension, forest, and soil conservation services, as well as financial assistance from such agencies as the Farm Home Administration, REA, and other programs.

The Department of Commerce is carrying on a splendid program of technical assistance and consultation for industrial development as well as other projects for improving the economy.

The Housing and Home Finance Agency also has a variety of programs that can be helpful to communities—both small and large—attempting rehabilitation programs. These include guidance and, in some cases, financial assistance under the Community Facilities Administration, FHA, Urban Renewal, and other such agencies.

In addition, the Small Business Administration offers technical guidance, administrative advice, as well as loans to local businesses in a community.

For the most part, these are not new programs. However, they can be of tremendous help to a community in carrying on a "bootstraps" operation to promote progress and improve the economy.

CONCLUSION

As we look to the future, then we recognize that the economy of each local community will continue to be closely integrated with that of the State and Nation. In this cooperative complex, however, the local community must stand ready—willing—and—as it is able—to bear its fair share of the burden. Similarly, it can expect to reap a proportionate share of the rewards.

Again, I want to express my sincere appreciation for the opportunity to discuss these problems of mutual interest with you.

Thank you very much for listening.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 31, 1960

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of May 28, 1960:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

Federal "aid" to education, labeled "School Construction Assistance Act of 1960," was approved by the House this week 206 to 189. Before passage, the program was expanded (from 3 to 4 years), the Powell amendment barring use of funds for segregated facilities was added, and an amendment aimed at channeling the greatest aid to areas of greatest need was defeated. At the outset, the bill asserts that despite local efforts immediate Federal action is required to eliminate classroom shortages. Inadequate financial resources in many communities is the reason stated. Money is allocated to the States in direct ratio to the number of school-age children and without regard to need. Then, following 15 pages of regulations concerning certification, matching funds, labor standards, etc., the disclaimer is made against any Federal controls to accompany these grants-in-aid. Against this Alice-in-Wonderland approach, let's examine some facts.

First, is there a problem? No, not of the sort being pictured. Educational plants across this Nation generally are excellent and though schoolroom shortages exist, school construction rates have soared by more than enough to eliminate deficiencies—all without Federal intervention. Where local limits on bonded indebtedness delay new construction, it is by the choice of those most concerned as taxpayers and parents. And this business about "lack of local financial resources" would be funny if the joke weren't a bitter one. "Local taxpayers" are the ones who pay all the Federal taxes, too. But once sent to Washington, less of their money can find its way back in "aid" because of the overhead costs of Federal bureaucracy. Moreover, Federal officials—not local taxpayers—would determine how those tax dollars might be spent. This bill is bad enough to set many speculating over the real motive behind it. At the least, it's a foot in the door to ultimate Federal domination of our schools. I voted and spoke against it, reminding my colleagues of a resolution against Federal "aid" sent to all Texas Congressmen by our State legislature.

The public works appropriation bill provided money for civil functions of the Army Corps of Engineers, the Atomic Energy Commission, and TVA—and included funds for public works projects throughout the Nation, totaling $3,914 million. In addition to continuing all unfinished projects, there are

39 new construction starts, 5 of them outside the budget (added by Congress); also, 26 unbudgeted surveys and 15 unbudgeted project plannings. The bill passed 387 to 18. I voted against it. In my view, the world situation and our far-flung essential expenditures require that we curtail nonessential spending. The way to start is to cut down public works and welfare spending. Already we have a 20-year backlog of approved public works projects at the current rate of spending—and still we dream up more. Where's the money coming from?

The Korean "emergency" taxes will be continued for another year if the House follows the Ways and Means Committee vote—not because the taxes are right, but because the big spenders force the continuance of high wartime taxes. Either we pay our way or resort to deficit financing, which waters the value of our money and charges it to following generations. For example, those who want telephone and transportation excise taxes reduced and want a reduced rate of income tax had better start checking the record to see who is spending their money in Congress, requiring continuation of high taxation. Next, assuming a small surplus, should we pay down the debt first or give ourselves a tax cut? No citizen should evade a personal decision on this.

The President laid it on the line with his talk about the summit conference. Yes, we spy in many ways, to be forewarned against surprise attack. We remember Pearl Harbor and Korea. Yes; we tried to protect pilot and plane by a covering statement before we knew his fate and the facts. Yes; we know that even negotiation (again remembering Pearl Harbor) can be used for duplicity, so why should we terminate our intelligence activities before a summit conference? And we are continuing our intelligence efforts, most recently with the addition of the spy satellite. Would the critics have us give up spying, apologize to Russia, accept a surprise attack, and dig our own grave? There is no substitute for military vigilance and retaliatory strength since we won't attack first. I do not condemn criticism, but I do condemn partisan politics for its own sake in the defense field. This is no subject for personal aggrandizement or for deliberate confusion or distortion of facts for partisan advantage. More than any, those seeking our highest offices should be well grounded in knowledge and responsible in their statements.

Geography and the New York Times

EXTENSION OF REMARKS
OF
HON. GEORGE HUDDLESTON, JR.
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 31, 1960

Mr. HUDDLESTON. Mr. Speaker, in its June 1, 1960, issue, the New York Times carries, on page C–31, a map showing the Times' version of the Southeastern States of the United States. The map is used in connection with a story on the Supreme Court decisions on the tidelands oil cases it has just decided.

This map labels my State of Alabama as "Mississippi" and "Alabama" is inscribed on what is actually the State of Mississippi. Then, compounding the error, the Times' map places the city of Birmingham in the center of that State which should be identified as Mississippi, and leaves the cities of Montgomery and Mobile located in the State which it names "Mississippi."

That a newspaper which prides itself, and accepts praise, for always being accurate should display such apparent ignorance of geography is, in my opinion, simply amazing.

Mr. Speaker, as my colleagues know, several weeks ago I presented evidence in another connection which showed that the New York Times is, in contrast to an ethereal belief held by some, far from being infallible. May I emphasize that I did not merely employ harsh epithets to indicate that the Times, in two articles which it published about Birmingham had, in my strong opinion, breached the ethics of responsible journalism. I cited facts, and I cited them, among other instances, in a four-page letter to the editor of the Times. My colleagues may be interested to know that that letter, aside from not being published, was never even acknowledged.

In any event, after the Times published a purportedly factual account of what was going on in the city of Birmingham and the State of Alabama, under the byline of Reporter Harrison Salisbury, it now turns out that the Times apparently does not even know where Birmingham and Alabama are located.

I just want to say, Mr. Speaker, that as the New York Times continues to display incredible carelessness in drawing maps and reporting the news, there is little wonder that its once fine reputation is fast diminishing.

Recognition of Red China

EXTENSION OF REMARKS
OF
HON. STYLES BRIDGES
OF NEW HAMPSHIRE
IN THE SENATE OF THE UNITED STATES
Tuesday, May 31, 1960

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an editorial which appeared in the New York World-Telegram for April 23, 1960, entitled "The Case Against Red China," together with an announcement under date of April 21, 1960, of the appointment of the distinguished Senator from New York, the Honorable KENNETH B. KEATING, to the steering committee of the Committee of One Million.

As a member of the Committee of One Million, which is unalterably opposed to the recognition of Red China by the United States as well as its admission to the United Nations, I am much pleased to invite the attention of my colleagues and the American public to the acceptance by Senator KEATING of this important assignment.

Senator KEATING's penetrating indictment of the Communist regime in China warrants careful reading by all Americans.

There being no objection, the editorial and announcement were ordered to be printed in the RECORD, as follows:

[From the New York World-Telegram and the Sun, Apr. 23, 1960]

THE CASE AGAINST RED CHINA

In joining the steering committee of the bipartisan Committee of One Million (against admission of Communist China to the United Nations), Senator KENNETH B. KEATING aptly stated why Red China is unfit to be admitted to the U.N. or recognized by the United States:

"The Chinese Communist regime has had a consistent record of aggression abroad and brutal tyranny at home. Within the past 12 months they have committed acts of massive genocide against the Tibetan people. Within the past weeks they have imprisoned a distinguished American elder churchman, Bishop James Edward Walsh. Within the past days, the leaders of Communist China have once again bitterly attacked and threatened our country.

"With such a record, and no indication of change, it is inconceivable to me how any American can call for the admission of this atheistic aggressor into the U.N. or recognition by our country of one of the greatest tyrannies the world has ever known. To pursue such a course of appeasement would betray our heritage of freedom and, in the long run, would result in strengthening our avowed enemy and weakening ourselves."

Refusal to appease Red China, he declared, is the way to maintain "the position of our allies and friends in Asia and, more important, their confidence in the honor and integrity of our country."

That succinctly states the case—and leaves no room for rational rebuttal.

KEATING JOINS LEADERSHIP OF BIPARTISAN ANTI-RED CHINA COMMITTEE — WARNS AGAINST APPEASEMENT OF PEIPING

April 22: Senator KENNETH B. KEATING, Republican, of New York, today joined with other Republicans and Democrats in the steering committee of the Committee of One Million (against the admission of Communist China to the United Nations). The committee is headed by Warren R. Austin, former Senator from Vermont and first U.S. Ambassador to the U.N., and Joseph C. Grew, former U.S. Ambassador to Japan and Under Secretary of State. In addition to Senator Keating, other members of the steering committee are Senator Paul H. Douglas, Democrat, of Illinois; Representatives Walter H. Judd, Republican, of Minnesota, and Francis E. Walter, Democrat, of Pennsylvania; former Democrat Governor of New Jersey and Secretary of the Navy Charles Edison; former Senator H. Alexander Smith, who recently served as special assistant to the Secretary of State.

In accepting membership on the steering committee, Senator KEATING said: "I am honored to join in this bipartisan movement which is dedicated to maintaining the security and honor of our country through its stand of refusing to strengthen Chinese Communist tyranny through any steps of appeasement. I am convinced that the overwhelming majority of the American people support our stand of opposition to the admission of Red China to the U.N. and/or recognition of the Peiping regime by our Government. Our present China policy is in the great tradition of bipartisan action. This policy was created and is maintained by both political parties working together. The membership and support of the Committee of One Million and the numerous resolutions of both Houses of Congress over the past years are demonstration of this fact. This policy has been successful and

will continue to be successful in that it maintains the position of our allies and friends in Asia and, more important, their confidence in the honor and integrity of our country.

"The Chinese Communist regime has had a consistent record of aggression abroad and brutal tyranny at home. Within the past 12 months they have committed acts of massive genocide against the Tibetan people. Within the past weeks they have imprisoned a distinguished American elder churchman, Bishop James Edward Walsh. Within the past days, the leaders of Communist China have once again bitterly attacked and threatened our country. With such a record, and no indication of change, it is inconceivable to me how any American can call for the admission of this atheistic aggressor into the U.N. or recognition by our country of one of the greatest tyrannies the world has ever known. To pursue such a course of appeasement would betray our heritage of freedom and, in the long run, would result in strengthening our avowed enemy and weakening ourselves."

The Committee of One Million, with offices at 343 Lexington Avenue, New York City, was organized in 1953 to "mobilize and articulate American public sentiment against admission of Communist China to the United Nations, recognition of the Peiping regime by the United States, or any other steps which would build the power and prestige of Red China." In 1956 the committee was instrumental in successfully conducting a campaign to include almost identically worded planks in the Republican and Democratic national platforms opposing the admission of Communist China to the U.N. The committee plans to undertake a similar campaign this year. In addition to such specific campaigns, the committee carries out a nationwide educational and informational program on Communist China and on current trends in United States-China affairs. Its work is supported through public contributions.

Among the members of the Committee of One Million are Senators Styles Bridges, John M. Butler, Robert C. Byrd, Everett M. Dirksen, Thomas J. Dodd, Barry Goldwater, Spessard L. Holland, Jacob K. Javits, Mike Mansfield, A. S. Mike Monroney, Karl E. Mundt, James E. Murray, Hugh Scott, Margaret Chase Smith; ex-Senator Ralph E. Flanders, Bishop Fred Pierce Corson, Mr. Henry R. Luce, Representative Joseph W. Martin, Jr., Adm. Arthur W. Radford, and Gen. James A. Van Fleet. Gen. George C. Marshall was a founding member of the committee and served actively until his recent untimely death.

Address by Senator Wiley Over Radio Station WIND, Chicago

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, May 31, 1960

Mr. WILEY. Mr. President, the new tough line adopted by the Soviets, requires, I believe, a new look at the adequacy of U.S. defenses; as well, it reaffirms the need for a strong mutual security program.

Fortunately, the Soviet propaganda blast-off on the U–2 flight over Soviet territory is losing amplitude. Why? Because it cannot keep airborne on used-over fuel.

As yet, it is not possible to assess just how far reaching will be the impact of this switch in Communist tactics. In the light of the toughening policy, however, I believe that we need to take a new look at our defenses.

In addition, I believe this situation again reaffirms the essentialness of maintaining a strong mutual security program—for which appropriations still need to be considered by Congress.

Recently, I was privileged to comment on both these aspects of our security in a broadcast over radio station WIND, Chicago. At this time, I ask unanimous consent to have excerpts of my address printed in the CONGRESSIONAL RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR ALEXANDER WILEY, REPUBLICAN, OF WISCONSIN, SENIOR REPUBLICAN ON THE SENATE FOREIGN RELATIONS COMMITTEE, OVER STATION WIND, MAY 29, 1960

Friends, I welcome the privilege to discuss with you once again major problems confronting us, our Nation, and the world.

On the global scene, the Soviet renewal of the tough-line policy requires:

First, time for assessment of its real impact and significance for world affairs and peace.

Second, a determination of its effect upon our security, defense and domestic economy.

Fortunately, the majority of people around the globe saw through the thinly veiled propaganda over the U–2 flight which Mr. Khrushchev used for an excuse to torpedo the summit conference.

In the light of the toughening policy line by Mr. Khrushchev, however, the question now is:

Just how rocky will be the road ahead?

NEEDED: NEW LOOK AT OUR DEFENSE

In reviewing the reflections these international developments have upon our domestic life, we need to ask: "What impact will the toughening policy have on our defenses?"

Currently, the appropriations for the fiscal year 1961 are before the Appropriations Committee of the Senate. As I understand it, the President has also made guideline recommendations to the Defense Department for carrying on outlays at about $41 billion for 1962.

What does our defense provide us? Among other things, the following:

Military strength of about 2.5 million men and women in the active forces.

Eight hundred and seventy thousand men in the Army.

Eight hundred and seventeen active ships.

Six hundred and nineteen thousand men in the Navy.

Three divisions of the Marine Corps and 3 air wings with 170,000 men; and an Air Force of 91 combat wings with about 825,000 men.

In addition, the Nation has an ever-growing arsenal of missiles—capable of hitting a target with nuclear warheads—including intercontinental, intermediate range and other types of missiles. For the future, the timetable of defense planning calls for creating ever-greater nuclear-missile firepower.

The objective: a farflung defense system of manpower, planes, missiles, ships, guns—operating from strategically located bases—to act as a deterrent to a would-be aggressor.

Overall, I am confident that our defense is strong, adequate, a tremendous deterrent to be reckoned with, especially since the Midas—2½-ton missile—is in orbit. With it functioning, we don't need a U–2 or open-skies arrangement.

In the light of the renewal of a tough-line policy by the Communists, however, we may well need to take a new look at our defenses—to make any necessary adjustment for these challenging times.

NEEDED: STRONG MUTUAL SECURITY PROGRAM

Now, let's take a look at the global free world security systems. Through the years, the U.S. mutual security program has proved to be the backbone of allied defense—helping to hold the line against Communist aggression in Greece, Turkey, Iran, Laos, Korea, and Taiwan.

How does it strengthen our defense? By the following means:

Binding together our people and resources in a chain of defense against Communist aggression.

Supplements U.S. forces by millions of men and greater firepower in guns, missiles, jet planes, ships, and other armaments.

Providing strategically located bases on the periphery of the Communist camp.

The U.S. contribution to the program—largely spent in this country for goods and equipment—also creates over one-half million jobs for our workers.

In addition, the economic, technical assistance, and other programs—as well as availability of loans—enable the less developed countries to lift standards of living; wipe out poverty, starvation, disease; and generally promote economic progress. Eliminating the reasons for ferment and unrest is ultimately essential if peace and stability are to be established in the world. In addition, these areas serve as targets for Communist activity. Recently, the Congress passed a bill to authorize an additional $1.3 billion, raising the ceiling for the program to over $4 billion. However, the actual appropriations—that is, "opening the purse strings"—have not yet been approved by Congress.

Overall, the mutual security program—a good investment in peace, defense, and stability—fulfills a national self-interest of greater security as well as strengthens our role as a world leader.

PROGRESS FOR DOMESTIC PROGRAMS

Now let's take a look at the home front.

We recognize, of course, that it is absolutely essential that Congress enact the necessary legislation to enable Uncle Sam to carry out his proper role in supporting programs for domestic progress.

In view of the load of past obligations—as well as high costs of defense—these are difficult budgetary problems.

Let me, now, give you an example of the kind of question which your Senators and Representatives in Congress will be faced with in the days ahead. These include, for example:

Do we want a Federal aid-to-education bill? If so, should it be restricted to school construction, or should it be allocated for teachers' salaries and other educational needs?

If you do not want additional Federal aid, are our citizens—and this means you and me—willing to assure, by community effort, adequate schools, facilities, and teaching staffs to meet the ever-increasing enrollments of students.

Overall, this is the type of question that will need to be faced in such significant fields as: Public works, including river and harbor development; agriculture; housing; hospitalization benefits and care for senior citizens; conservation; and many other areas of domestic progress.

According to Budget Director Maurice Stans, for example, the country in the past—by adopting programs with future obligations—is now saddled with a long-range debt of $730 billion.

Currently, a "hopper full" of bills in Congress would, if enacted, cost an additional $325 billion in the next 5 years. The total would be over a trillion dollars.

With this realistic long-range picture, Congress has a great responsibility to the taxpayer to keep spending down to essentials.

We recognize, of course, that this is an election year. As always, this encourages the proposal of supposed vote-getting legislation.

However, the American taxpayer, today, is already saddled with a heavy burden. Consequently, a major battle on the "home front" may well involve countereffort to "hold the line" on excessive spending to prevent further burdening our taxpaying citizens.

Overall, our major task is to establish a priority system for support of necessary programs both on the domestic and international fronts. The output of our Nation has reached a peak of over $500 billion annually. If we act wisely and prudently—and not lose our heads—I am confident that we can provide the financing—from private sources as well as local, State, and Federal governments—to meet the challenges ahead.

CONCLUSION

These, then are a few of the major decisions which we in Congress will be required to make prior to adjournment. A big question is: What do you, the people of America, want? This is your Government. The Congress is responsive to your will. If you speak en masse, you will be heard. Now, I want to express my deep appreciation for the opportunity to discuss these issues with you.

Birmingham Observes 80th Birthday of Helen Keller

EXTENSION OF REMARKS
OF
HON. GEORGE HUDDLESTON, JR.
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 31, 1960

Mr. HUDDLESTON. Mr. Speaker, on the 27th of June, one of the greatest ladies of America and one of the most admirable persons of our times will celebrate her 80th birthday. She is Helen Keller, beloved daughter of the State of Alabama and inspiring friend of all those who have suffered unfortunate physical handicaps.

Because the story of the life of Helen Keller is so well known throughout the world and, certainly, here in the Congress, I need not recount at length biographical details about her. Suffice it to mention that when, as a tiny child in Tuscumbia, Ala., she suffered an attack of scarlet fever so serious that she lost her sight, hearing, and power of speech, it was feared that a full life had been lost to the world. But from that point where there was such little hope, there has emerged the figure of a woman so remarkable as to have earned the endearment and respect of the peoples everywhere.

Faith and perseverance, it seems to me, are the greatest forces behind Helen Keller's astounding accomplishments. These characteristics were no doubt inspired in Miss Keller as a little girl by that faith of her father who searched unceasingly for some medical indication that his child could be helped and finally received such encouragement from Dr. Alexander Graham Bell, and from that perseverance of her first teacher, Anne M. Sullivan Macy, who devoted much of her life to a task which, almost unbelievably, was rewarded with rich success. Surely, it was faith and perseverance that made it possible, for example, for Helen Keller to graduate from Radcliffe College in the usual 4 years' time.

I have taken special note of these two character traits which Helen Keller possesses to an admirable degree, because I believe that in them lies the most meaningful message of this marvelous life for all of us, whether our handicaps be serious or only small, permanent throughout our lives or only fleeting annoyances. America, and our age, are grateful for this indication of the way toward greatness.

Mr. Speaker, I think it is natural that we Alabamians are especially proud of Helen Keller. That we are indeed proud of her and love her is being demonstrated at the present time in my district of Birmingham where a celebration in her honor is being held from June 5 through June 26. Chairman of this birthday observance program is Mrs. Gordon Hardenbergh, who is also, incidentally, president of the Alabama Federation of the Blind, and cochairman is Dr. John E. Bryan, executive director of the Birmingham Chamber of Commerce.

I am delighted that citizens and officials of our community are helping to again remind the world by this celebration of the meaning of the Helen Keller story. I join with them, and with all Americans, in extending to Miss Keller, this month, an expression of warm appreciation for her inspiring deeds and example in living and in wishing her many happy birthdays to come.

Memorial Day Services, Altoona, Pa., May 30, 1960

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 31, 1960

Mr. VAN ZANDT. Mr. Speaker, under the auspices of the War Veterans Council the annual Memorial Day observance was held at Altoona, Pa., Monday, May 30. The program included a parade through the downtown business district terminating in the Fairview Cemetery where I was privileged to deliver the following address as part of the memorial services:

MEMORIAL DAY ADDRESS BY REPRESENTATIVE JAMES E. VAN ZANDT OF THE 20TH DISTRICT OF PENNSYLVANIA AT THE FAIRVIEW CEMETERY, ALTOONA, PA.

Memorial Day is distinctly an American institution.

It is a deeply significant, sentimental custom established by our people more than 90 years ago.

It is not only observed in every community across our Nation, but in many foreign lands and upon the high seas.

This special day is the brief moment we set aside from our busy lives to pause before the resting places of our departed loved ones—to remember them and to eulogize the honored dead.

When we have concluded our short ceremonies here and turn back to our daily tasks we shall leave with the dead our tributes, expressed in words and with flowers.

But of even greater importance is the fact that we will have gained new spiritual and mental enlightenment through this experience.

Memorial Day is not a day for sadness.

In fact, when we consider all of its facets we find that Memorial Day has great beauty and that it has truly inspiring depths.

There are the colors of our flag and flowers for the eye to admire.

There are the carefully chosen words of prose, poetry, song, and prayer for the ear to hear.

All of these, together, touch our hearts and minds and our conscience.

They reawaken in us a new realization that we are influenced, in large measure, by those who have gone before us, and by their contributions to our lives.

It does not matter who we are, nor the differences between our religious thinking or racial stock.

The principles presented by this Memorial Day are the same to each of us—because we are all Americans.

Following the same line of thought when we honor the dead we do not weigh the stations they held in life.

It does not matter whether they were rich or poor, young or old, or whether they were intellectuals, craftsmen, students, or laborers.

As the poet John Ingalls expressed it—"In the democracy of the dead, all men at last are equal"—there is neither rank nor station nor prerogative in the republic of the grave.

Now it may be a little difficult for us who are gathered here to realize that we are part of a vast, worldwide commemorative service on this special day.

We are but a small portion of the living—who are honoring the dead.

And those souls to whom we are directing our immediate attention are but a very few of the total number of American honored dead around the world.

What we are doing here is actually symbolic.

Our contribution to the overall Memorial Day observance is being duplicated by millions of other people throughout our land and in several foreign countries.

To make that point clear let us consider the following facts:

There are more than 1 million names on the honor rolls of the American war dead.

Those are the men who have fought and died for our country since this Nation was founded some 185 years ago.

What we say here today expresses our tribute to all of those honored ones.

The praise we give the other departed war veterans of our personal acquaintance is—in reality—praise for all who have served in the Armed Forces of our Nation.

We cannot return the dead—therefore the only remaining course is to extend tribute to them through sincerity and the beauty of our memorial services.

That is what Americans are doing today at home and abroad.

Therefore, on this Memorial Day 1960 let us for a moment visualize the memorial tributes being accorded our honored dead.

Throughout the United States and in some 25 American military cemeteries beyond our shores the mortal remains of some 400,000 Americans who gave their lives in World War I, World War II, and the Korean conflict are buried, or they are recorded as missing in action.

On this Memorial Day special ceremonies are being held at 8 American military cemeteries or special memorials in France, England, and Belgium where nearly 31,000 World War I dead are buried.

Similar services are being held for 76,000 World War II dead at 14 other American cemeteries in England, France, Belgium, Luxembourg, Holland, Italy, and Tunisia.

Also, special services are being held for more than 90,000 other World War II and Korean dead, buried or recorded as missing at American cemeteries in Puerto Rico, Hawaii, Alaska, and the Philippines.

In addition special services are being held for the war dead at the Tomb of the Unknowns—and some 99,000 other war dead buried at Arlington National Cemetery—across the Potomac River from Washington, D.C.

Most of those final resting places are a long way from us—but in reality they are very close to our hearts.

In the American military cemeteries overseas there are graves and chapels, pools and gardens, statues and—most impressive—the walls of the missing.

All of those material tributes to the honored dead are creations of our best talent in architecture and landscaping, and in poetry and prayer.

The oversea cemeteries and memorials are in charge of the American Battle Monuments Commission and the Department of the Army.

In order to see everything more clearly let us—with our eyes closed and in deep silence—form these mental pictures.

We see acres and acres of white marble headstones.

Alined in rows they are of two designs—the Star of David for those of the Jewish faith and the Latin Cross for all others.

Those markers identify the remains of the known American war dead.

The number of these markers is startling.

There are more than 60,000 in France and 13,600 in Belgium.

Another 17,000 are in the Philippines with 13,500 in Hawaii.

There are some 12,000 in Italy, more than 8,000 in Holland, 5,000 in Luxembourg, 4,000 in England, and 2,000 in Tunisia of north Africa, and so on around the globe.

These oversea cemeteries are the resting places of only some of our known American war dead.

Yes, there are others to be counted.

Close to rows of marked graves stand the walls of the missing.

These are tremendously imposing structures.

One of them, on the south coast of England, is 472 feet long.

And upon those walls of the missing are inscribed the names—the ranks—the combat organizations—and the home States of American servicemen presumed to be dead but whose remains have not been recovered or identified.

On those walls of the missing there are nearly 56,000 names of our honored dead.

The inscriptions upon the walls of the missing tell us that "here are recorded the names of Americans who gave their lives in the service of their country and who sleep in unknown graves—grant unto them, O Lord, eternal rest."

On the 472-foot wall in south England—there are 5,175 names of men from every State in the Union and the District of Columbia.

At Manila in the Philippine Islands more than 36,000 missing men are recorded.

Along with the graves and walls there are memorial buildings and chapels.

Inside these structures are recorded the histories of the conflicts in which the known—the unknown—and the missing—fought and died.

Sculptured figures and poems and prayers are inscribed in stone.

Typical of the tributes paid the men is the inscription in the Normandy American cemetery.

This cemetery is high on a cliff overlooking the English Channel—170 miles west of Paris—and just above Omaha Beach—where many died in the Allied D-day invasion of France in June 1944.

There are 9,386 marked graves in the Normandy cemetery—and on the wall of the missing there are 1,557 additional names.

Inscribed upon the Normandy cemetery memorial buildings are these words:

"This embattled shore, portal of liberation, is forever hallowed by the ideals, the valor and the sacrifices of our fellow men."

Some strange circumstances are illustrated at this cemetery—as in other American cemeteries—because here we will find the final resting places of a father and son—lying side by side.

In addition—in 30 instances two brothers are buried—side by side.

A part of every American military cemetery is the stone-engraved prayers.

The poetic expressions—deep from the heart—represent every religious faith.

Typical of these prayers are the following quotes:

"Take unto thyself, O Lord, the souls of the valorous that they may dwell in their glory."

Also the Biblical quotation—St. John—10th chapter, 28th verse:

"I give unto them eternal life and they shall never perish."

Then there is this Jewish inscription beside the Star of David and Tablets of Moses:

"Think not only upon their passing. Remember the glory of their spirit."

Upon each of the oversea cemetery memorial buildings there is a simple dedication by the Government of the United States.

That inscription reads:

"In proud remembrance of the achievements of her sons—and in humble tribute to their sacrifices—this memorial has been erected by the United States of America."

Here in the United States—some 170,000 World War II dead have been returned for burial in home cemeteries.

Impressive memorial services are being held for them on this day—as we are doing here.

And in the cities of New York and San Francisco memorials are being erected to commemorate many thousands of Americans who gave their lives while on war duty off the coastal shores of North and South America.

And there are other memorials—created by fellow citizens—for the war dead lost at sea.

Thus the picture is revealed of worldwide tributes to the known American war dead and to those recorded as missing in action.

It is a significant fact that the sun never sets upon all of them.

And finally, above these hallowed grounds flies the Stars and Stripes—the flag of our country.

It is the flag which says: "These were my defenders."

They were your defenders.

Their patriotism and their valor were proved on the fields of battle.

Let their achievements and their sacrifices be your inspiration forever.

Ladies and gentlemen, this is the message for each of us on this Memorial Day of 1960—as we pay honor to the departed ones of all wars.

May they rest in eternal peace.

Today it is our fervent prayer that our thoughts, our words, and our deeds shall always fulfill the high ideals for which the brave have made the supreme sacrifice.

At this time let each of us recognize the obligation we have to make certain that the honored dead shall not have died in vain.

In seeking to fulfill this obligation let us fervently pray:

Lord—God of hosts—be with us yet. Lest we forget! Lest we forget!

Radio Address by Hon. Alexander Wiley, of Wisconsin, Over Station WGN, Chicago

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, May 31, 1960

Mr. WILEY. Mr. President, in the aftermath of the Paris meeting, the world is now trying to find ways and means to promote real peace—ways, perhaps, that cannot be torpedoed by the antipeace tactics of a single participant, for example, in a conference.

As we recognize, the furor over the U–2 flight by Mr. Khrushchev was deliberately overplayed and utilized by Mr. Khrushchev as an excuse for blowing up the conference.

Although this propaganda balloon has just about become deflated, the free world must be careful not to allow this "side show scene" by Mr. Khrushchev to serve as a coverup, diversionary tactic for troublemaking elsewhere in the world.

Today, there are a great many danger points—including Western Europe, the Middle East, Korea, Indonesia, Taiwan—threatened one way or another by communism.

While the world spotlight has been focused on Paris, and now on the United Nations, we can be sure that the Communists are not asleep elsewhere. Instead, they are continuing to carry on their subversive propaganda, espionage, sabotage, and other activities, according to their master plan of world domination.

Recently, I was privileged to comment over radio station WGN, Chicago, on "fronts" elsewhere in the world where we need to be alert, as well as to strengthen our policies.

I ask unanimous consent to have excerpts of the address printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

WILEY WARNS AGAINST COMMUNIST DIVERSIONARY TACTICS OVER U–2 FLIGHT TO START TROUBLE ELSEWHERE IN THE WORLD

(Excerpts of address prepared for delivery by Senator ALEXANDER WILEY, Republican, of Wisconsin, senior Republican, Senate Foreign Relations Committee, over radio station WGN, Chicago)

The world today is experiencing crosswinds of differing national policy, cultural, economic, and ideological systems.

In a complex age, we, the people of the United States, must attempt not only to find our way, but also to act as a leader in promoting peace and stability on the globe.

As we are well aware, the new Communist "hard line"—demonstrated by Khrushchev at Paris, and Gromyko at the United Nations—has increased tensions and fears of war in the world.

As President Eisenhower stated upon his homecoming, "We can be watchful for more irritations, possibly other incidents that can be more than annoying—sometimes creating real problems."

However, the "hot air" is just about gone from the propaganda balloon floated over the U–2 flight by the Soviet Union.

The hullabaloo at Paris and at the U.N., of course, is just part and parcel of the overall Communist master plan for global troublemaking and carrying out its aims of world domination.

However, the Communists—you can bet your boots—are not focusing entirely on the U–2 incident. From past experience, we can expect that they are busy as beehives in other countries around the world with espionage, subversion, spying, and other nefarious activities.

Particularly, Communist aggression by propaganda continues to violate—in spirit, as well as in letter—a climate of peace in which nations deserve the right to live together on the globe and seek self-determined destinies.

Consequently, we must not be diverted by Mr. Khrushchev's attempt to make a mountain out of a molehill on the U–2 flight, and thus divert, to a large degree, the attention of the world. Instead, we must be alert to the fact that communism is "on the go" elsewhere around the globe.

REVIEW OF GLOBAL CHALLENGE

Briefly, now, let's take a quick look at the upcoming challenges and review all possible free world efforts to cope with them. The topics will include: "The Status of NATO"; "Coping With Special Economic Problems Among European Countries, Including the So-Called Inner Six and Outer Seven"; "Further Improving Inter-American Relations"; "Outlook for Reduction of Armaments"; "U.S. Attitude Toward the Newly Emerging Nations"; and "Other Aspects of the International Scene."

COMMUNIST "TOUGH LINE" STRENGTHENS NATO

First of all, let's take a look at NATO.

Fortunately, the revival of Mr. Khrushchev's "tough line" at Paris—although a threat to peace—had the positive effect of strengthening the compact of NATO nations.

The task now is to assure that this "closing ranks" in the face of danger—is accomplished not just in word, but in reality.

What needs to be done?

Among the tasks to be accomplished are the following:

1. More strongly welding together the NATO nations in the face of danger through improved channels for multilateral consultations on challenges confronting NATO;

2. Equipping this "free world shield" with the most modern weapons system necessary as a deterrent to aggression;

3. Promoting greater "identity of interests" in cultural and social—as well as economic, military, and political fields; and

4. Finally, keeping the respective governments and their peoples alert to the reality that the struggle against communism will be a long-range—not a short-range battle.

SPECIAL ECONOMIC PROBLEMS OF INNER SIX AND OUTER SEVEN

Within NATO, there are, of course, special economic problems. These relate to the trade, tariff, and other problems arising out of the development of the European Economic Community (the so-called Inner Six) and the signatory countries of the European Free Trade Area Convention (the Outer Seven).

At this time, the governments of these nations are assembling detailed, factual information relating to problems, as well as their possible solution.

Generally, the United States has supported the development of the European Community of nations, both for political and economic reasons.

However, we have also encouraged them to adopt liberal, low-tariff policies toward the United States and other nonmember nations. We do not, in effect, want discrimination against U.S. goods.

Overall, however, the creating of strong Western, free economic and political blocs, we feel, will help to counterbalance the monolithic Communist bloc—directed by, and controlled from, Moscow—aimed at solidifying economic, political, military, social, and cultural interests of Eastern European nations.

OUTLOOK FOR REDUCTION OF WORLD ARMAMENTS

Now, turning to another international problem: What is the outlook for realistic, safeguarded agreements for reducing armaments?

As I understand it, the Communists are still willing to proceed with the 10-nation meeting at Geneva, Switzerland.

In the light of Mr. Khrushchev's belligerence at Paris, however, there is serious doubt as to whether good faith agreements—safeguarded, of course—can be obtained at all.

In practice, we find that the Communists give lip service to the cause, yet ceaselessly attempt to blockade every effort to reach any realistic agreements.

The purpose of reduction of armaments, of course, would be:

1. To lessen the possibility of a nuclear-missile war that would destroy vast portions of the earth;

2. To reduce nuclear testing which threatens to further contaminate the air with a dangerous degree of radioactivity; and

3. The world suffers from the need for turning these vast manpower, brainpower, and national resources now going into armaments, to production of the good things of life to provide better standards of living, eliminate poverty, starvation, illiteracy, and other humanitarian purposes.

Significantly, however, Mr. Khrushchev, in a speech delivered shortly after his visit to the United States, said:

"We must fight resolutely and consistently for our ideas, for our way of life, for our socialist system. * * * We consider that this struggle should be economic, political, and ideological, but not a military one."

Consequently, the Soviets continue to attempt to pursue their goals through diplomacy, trade, economic aid, and international subversion.

As yet, however, it is not possible to assess what the new hard line displayed by Mr. Khrushchev at Paris will mean in terms of efforts at "missile-power politics" or blackmail threats. In essence, however, the primary objective still remains—for the Communists, at least—as formulated by Lenin many years ago: "Who will vanquish whom?"

In coping with the Communist challenge, a major task—and that of our allies—is to maintain sufficient military strength to deter the Communist bloc from moving the Communist-freedom struggle into the military arena; or even successfully employing threats of military force.

Second only to this, however, we must preserve and strengthen our economic and, in cooperation with our allies, our international economic position. A strong economy is the keystone to our own strength and our ability to play our necessary role in world affairs.

Recognizing that peace must be established around the conference table—not on the battlefield—we must of course continue diligently, relentlessly, and in a dedicated way, to find a reasonable solution to East-West differences.

If we had our way, we would like to beat our swords into plowshares, to channel great resources, skill, and human ingenuity of our country and the world into farm machinery, hospitals, homes, schools, roads, food for the hungry, books and teachers for the millions in the world who cannot read or write; more electric and atomic power for factories, homes, and farms, and other goods of peace.

IMPROVING UNITED STATES-LATIN AMERICAN RELATIONS

In further reviewing our relations with other countries of the world, we cannot—and must not—ignore the need for continued efforts to improve contacts with the friendly countries of Latin America.

Currently, the Communists are attempting to make inroads into the Western Hemisphere through trade routes; cultural exchanges; planting Communist troublemakers to capitalize upon economic difficulties confronting these nations; and other devious tactics.

Now, what steps can be taken to further improve inter-American relations?

These include, I believe, the following:

A greater effort to provide technical and administrative assistance to needy areas now striving for greater development and progress;

Encouraging stability to attract more U.S. private investments in these countries—where there is an ever-growing need for development and improvements.

Encouraging private business engaged in commerce, trade, manufacturing, mining, or other fields, to carry on more enlightened public relations programs among private citizens of Latin America;

And finally, continue to explore, better utilize, and, as appropriate, increase support for, international lending institutions, regional proposals for common markets, and other measures designed to help solve the economic problems throughout the hemisphere.

ROLE OF NEWLY EMERGING NATIONS IN WORLD AFFAIRS

Now, turning to a new aspect of international relations: Let's take a hard look at U.S. policy relating to the newly emerging nations of the world.

Today, the globe is in ferment—politically, economically, socially, and spiritually.

In Africa and Asia particularly, nations and peoples are striving for independence and for a right to seek, under self-determined forms of government, their destinies.

Why are these newly emerging nations significant? For this reason: Representing hundreds of millions of people and vast land and natural resources, these nations—if war can be averted—may contribute to deter-

mining the "balance of power" in the world for the years ahead.

As a leader, the United States, I believe, must play a significant role in assisting and, as possible, guiding these nations to their appropriate role in world affairs. The objectives of such efforts include:

1. Recognizing the inherent rights of people and nations to attain a self-determined destiny;

2. Eliminating breeding places of unrest and instability which nations—"under the thumb" of other countries—will continue to be; as well, such dominated countries—literally seething for independence, are major targets also for Communist activity; and

3. The millions of people and their resources, if developed fully, can make a contribution toward world betterment.

Consequently, an enlightened policy toward these newly emerging nations actually is not only humanitarian, but in our own self-interest, as well as essential for the peace and security of the world for the future.

CONCLUSION

This, then, is a brief look at the world scene.

In times past, the needs for you and me—as citizens in the hinterlands of America—to be concerned with these global challenges—would have been seriously questioned.

Today, however, what happens in Paris, at the United Nations—yes, at such far-off places as Indonesia, India, China and elsewhere—affects our security, taxes, the economy of our country, the outlook for our future.

As citizens of a leading nation in the world, therefore, you and I have a special responsibility, not only for being informed on, but also for attempting to constructively deal with, challenges in our local communities, of a national scope, and on the world scene.

Now, I want to express my appreciation to you for giving me this opportunity to discuss these national and international problems and challenges with you.

SENATE

WEDNESDAY, JUNE 1, 1960

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, we thank Thee for the inward voice which ever and again calls us away from the clamor and dusty strife of confusing days to the quiet cloisters of the eternal, where we may gaze through windows of faith and be strengthened by the far look.

Enable Thy servants here, upon whose judgments rest solemn responsibilities of public welfare, to bear the fret of care, the sting of criticism, the drudgery of unapplauded toil, and to follow the truth as they see it, wherever it may lead.

May the highest truth illumine the nearest duty, and may our highest aspirations transfigure the humblest task.

While time remains, help us to strike our blow for freedom in the global battle now raging, and to keep to the end of our brief day the unbroken vigil of the inner light, so as to leave the world better for our sojourn in it.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, May 31, 1960, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 29, 1960, the President had approved and signed the act (S. 2779) relating to the election under section 1372 of the Internal Revenue Code of 1954 by the Augusta Furniture Co., Inc., of Staunton, Va.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Committee on Foreign Relations.

The Antitrust Subcommittee of the Committee on the Judiciary.

The Subcommittee on Donable Property, of the Committee on Government Operations.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to inquire of the acting majority leader what the schedule is for today and—if he knows—what it might be for the remainder of the week.

Mr. MANSFIELD. In response to the question of the minority leader, let me say it is anticipated that the legislation which will follow the unfinished business, which is House bill 10087, to amend the Internal Revenue Code of 1954 to permit taxpayers to elect an overall limitation on foreign tax credit, will be Calendar No. 1417, House bill 7681, to enact provisions of Reorganization Plan No. 1 of 1959 with certain amendments; Calendar No. 1438, Senate bill 2583, to authorize the head of any executive agency to reimburse owners and tenants of lands acquired for projects or activities under his jurisdiction for their moving expenses, and for other purposes; Calendar No. 1453, Senate bill 3018, to authorize the Maritime Administration to make advances on Government insured ship mortgages; Calendar No. 1469, Senate bill 2998, to amend the Merchant Marine Act of 1936, in order to extend the life of certain vessels under the provisions of such act from 20 to 25 years; and Calendar No. 1477, Senate bill 2584, to amend title V of the Merchant Marine Act, 1936, in order to remove certain limitations on the construction differential subsidy under such title.

It is my understanding that there may be one or two yea-and-nay votes on the unfinished business; and I suggest that the Senate be on notice in regard to that possibility.

Mr. DIRKSEN. That is for today?

Mr. MANSFIELD. Yes, for today.

Mr. DIRKSEN. I should like to inquire further of the acting majority leader whether any action is proposed on the House bill, now on the desk, dealing with school construction.

Mr. MANSFIELD. I can only state that it is my belief that unofficial meetings have been going on, in an effort to see about the possibility of a conference, and that nothing will be done, in my opinion, until the Senator from Alabama [Mr. HILL] returns to the floor and makes known his views.

Mr. DIRKSEN. Mr. President, I should like to propound a further inquiry: Can the acting majority leader indicate when there is likely to be action on the wheat bill, reported from the Committee on Agriculture and Forestry, and presently on the calendar?

Mr. MANSFIELD. I do not think I could give any assurance whatever at this time; but it would be my belief that it is unlikely that that bill would be brought up this week.

Mr. DIRKSEN. I see.

Mr. MANSFIELD. But I cannot say so.

Mr. DIRKSEN. Very well.

Mr. MANSFIELD subsequently said: Mr. President, in addition to the other measures I have listed for possible consideration, I wish to state to the minority leader that the Senate will also give consideration to Calendar No. 1163, Senate Joint Resolution 170, to authorize the participation in an international convention of representative citizens from the North Atlantic Treaty nations.